

Interesting people
interact better



ANJANEYA Lifecare Limited

(Adding Good Health To Life Naturally)

**5TH ANNUAL REPORT
2010-2011**

Aiming Higher ...

Marching Forward ...

In thought and in action.

Answers - before the question is posed.

Solutions - before the need is felt.

Savings - before a rupee is spent.

A passion to make a difference
to people's lives and an
unwavering spirit to take things
forward.

**Stressful lives. Patented
products turning generic.
Manufacturing costs rising in
developed countries.**

These could be disparate
realities for most people.

But represent the foundation of
our business model at
Aanjaneya.

Because we believe that the
realities of today indicate the
markets of tomorrow.





For Aanjaneya, this is both an aspiration and motivation.

We will forge ahead as the result of a commitment to create good health. This energy and vibrancy is felt throughout the Company, acting as a constant driver for improvement.

Our mission is to make quality pharmaceuticals affordable to all.

From this aspiration flows the energy that makes the Company successful. Our initiative is driving us to be among the most cost effective Quinine producers in the world. Ultimately, it's a win-win for all - the patients, customers and the Company.

At Aanjaneya, we are adding value by optimizing our market mix and leveraging our intellectual Resources and experience to quicken the pace of growth; widening our product offering through Intelligent research and expanding our manufacturing platform. We are fast tracking the company.

Beyond the horizon there lie opportunities. We are taking new paths leading to exciting new heights, with the promise of sustained profits. Aanjaneya is making the paradigm shift to premium markets.

There is an excitement, driving the change across the organization. Anticipating needs and exceeding expectations. Sharpening our focus and striving for excellence. In thought and in action.

Aiming Higher ...

Marching Forward ...



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5th Annual Report For Financial Year 2010-2011

Board Of Directors

- ❖ **Mr. Kashi Vishwanathan** - Chairman & Whole-time Director
- ❖ **Dr. Kannan Vishwanath** - Vice Chairman & Managing Director
- ❖ **Mr. Shashikant Shinde** - Executive & Whole-time Director
- ❖ **Mr. Prabhat Kumar Goyal** - Executive & Whole-time Director
- ❖ **Dr. Ullooppee Badade** - Non Executive & Independent Director
- ❖ **Mr. Balkrishna Parab** - Non Executive & Independent Director
- ❖ **Mr. Giridhar Pulleti** - Non Executive & Independent Director
- ❖ **Mr. Paul C. Naythatil** - Non Executive & Independent Director

Company Secretary & Compliance Officer

- ❖ **Mrs. Harleen Sahni**

Bankers

- ❖ **State Bank of India**
- ❖ **IDBI Bank Ltd.**
- ❖ **Corporation Bank**
- ❖ **Allahabad Bank**
- ❖ **The Shamrao Vithal Co-Op Bank Ltd.**

Auditors

- ❖ **Sunil Mistry & Co. - Chartered Accountants**

Factory

- ❖ **K- 4/1 Additional Mahad, MIDC, Raigad Dist, Maharashtra - 402309.**
- ❖ **Gat 123, Pirangut Taluka, Mulshi Dist -Pune, Maharashtra - 412108.**

Regd. Office

- ❖ **Plot 34, Aanjaneya House, Postal Colony, Chembur, Mumbai - 400071.**



About Aanjaneya

Our Company derives its name "Aanjaneya" from the Sanskrit name of Lord Hanuman. In Indian mythology and ancient Vedas dated 2000 BC he has been described as master of all knowledge and kalasha full of nectar of immortality. Aanjaneya removes all fears and removes all diseases. He is the well wisher and the preserver of the three worlds and empowered to heal the Jiva souls. Aanjaneya Lifecare Limited endeavors to

"Add Good Health to LifeNaturally!!!"

We are one of India's emerging integrated pharmaceutical company with established the research, manufacturing and marketing capabilities. We are among the largest Quinine producers in the world. The product portfolio of the company includes highly Innovative Alkaloids, Anti Malarial APIs, APIs from Natural Sources and Veterinary APIs. In Finished Dosages we cover important therapeutic areas such as Anti Malarial, Erectile Dysfunction, Hormone Replacement Therapy, Anti Obesity, Herbal products and Lozenges for various Therapeutic segments. Our strength lies in an excellent track record of regulatory approvals and ability to produce a broad range of pharmaceuticals and dosages like Solid, Semi-Solid, Liquid, Gels, Ointments and Lozenges & strong R&D capability, with particular expertise in technically challenging products.

History

Incorporated on January 3rd 2006 as Aanjaneya Biotech Pvt. Ltd. by Dr. Kannan K.Vishwanath





Business Verticals

- ❖ Active pharmaceutical ingredients
- ❖ Finished Dosage Forms
- ❖ Herbal formulations
- ❖ Custom synthesis

Presence

Headquartered in Mumbai India, possesses two manufacturing units and one research centre in Maharashtra. Enjoys a marketing footprint across 40 countries.

Certifications

- ❖ ISO 9001:2008, ISO 14001:2005 and ISO 22000 from BSI Systems for both our Manufacturing Units.
- ❖ WHO –GMP Certification for Both our Manufacturing Units.

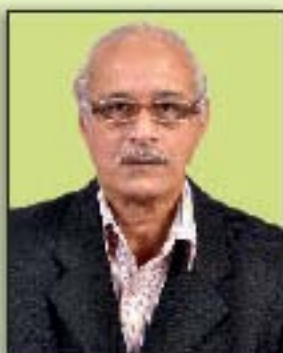
Awards

- ❖ Received **Export House Status** in 2010-2011
- ❖ Received the **Best Green Business Award** at Emerging India Awards presented by ICICI Bank and CNBC-TV-18 at Macau in November 2010
- ❖ Rated among the **Top 100 Companies in "The Best Companies to Work With in India "** 2010-2011 By Economic Times and The Great Place to Work with Institute.

Patents and Accreditations

- ❖ We have received 5 product patents from Indian Patent office for Trans- dermal delivery system for Hormone Replacement Therapy
- ❖ We have filed 3 world patents for Improved and non infringing route of Synthesis of Anti Cancer Drugs Gemcitabine Hcl, Docetaxel Anhydrous and Capecitabine
- ❖ We have Filed a World Patent for Extraction of Quinine hydrochloride directly from Quinine base using water as solvent
- ❖ We have filed world patents for lozenges as novel drug delivery system for therapeutic segments like Anti-smoking, Appetite Enhancer, Irregular Bowel syndrome and erectile dysfunction
- ❖ Total 12 DMFs Filed in USA , Europe and Canada
- ❖ Received Certificate of Suitability (CEP) from European Directorate of Quality of Medicines (EDQM) for Quinine Sulphate and Quinine Hydrochloride

Message from the Chairman



K.V.VISHWANATHAN
Chairman



Growing Scientific strength, a vibrant business model and a clear vision of the way ahead are rapidly becoming the Company's competitive strengths.

Dear Friends,

2010-11 was a transitional year. It was also a transformational year for Aanjaneya. We moved decisively to strengthen and expand our core businesses. While the financials grew at a healthy clip, we drew satisfaction from the fact that we have positioned the Company for a major thrust into the semi-regulated markets.

Aanjaneya has its sights set on the growing market for generics worldwide. We are dedicating ourselves to building the Company into a global pharmaceutical company.

Aanjaneya's unique strengths and assets provide us singular ability to achieve this vision. This goal has captured the spirit and inspired the commitment of our people across the Company, who are determined to make it a reality. And we believe that 2010-11 laid much of the groundwork for this future Aanjaneya. We are actually on *fast forward* mode.

Opening new markets

Aanjaneya is poised to make a significant impact in the generics market. With governments everywhere opting for low cost health care, the demand for generics is growing exponentially. In line with this need, our product portfolio is being expanded.

Through our own developments and business alliances, we will be able to introduce and market generics and exploit this emerging growth potential.

Aanjaneya has inherent strengths to make the move forward. We are leveraging our core competencies to strengthen our business model. We are also leveraging our existing business model to improve our core Competencies. Growing scientific strength, a vibrant business model, and a clear vision of the way ahead are rapidly becoming the Company's competitive strengths. Aanjaneya's cost effectiveness as a producer and completely integrated approach to business will mean that the Company always stays ahead of competing pressures. Our manufacturing presence from the basic raw materials stage, through active ingredients to producing generics for the emerging markets, is an enormous strength. While we now stand better positioned, our cost effectiveness will give the consumer the best deal.

Ultimately, our mission is to make quality pharmaceuticals affordable to all.



Expanding the Platform

Aanjaneya's manufacturing facilities are unmatched. Our recently added production units at Pirungut have added to our muscle. This has already begun adding to the Company's bottom-line. It is particularly satisfying that a facility is posting profits within months of acquisition. We have now created an end-to-end vertical integration – from basic raw materials to consumable products. Low external dependencies, cost effective production, high scalability, strategic flexibility and control on quality at all levels make us a strong contender in quality conscious regulatory markets.

At Aanjaneya, quality is not just a regulatory stamp. In 2010, we concentrated on honing our processes that put flawless execution within our grasp. We have a mechanism that deals immediately with deviations and remedies them. We are building trust. Our consistent quality will give us the cutting edge.

Growing Scientific Strength

Aanjaneya's most crucial priority as we go forward, is to build a world class research and development function. This is essential for our future. To strengthen our R&D capabilities and increase our productivity, we have better aligned our scientific division with our commercial priorities. We are screening and identifying generic opportunities in tune with our chemical competencies.

R&D is raising the bar by looking for answers in new and different places and coming up with unique and non-infringing processes. These impressive achievements offer the greatest potential to generate the growth needed to sustain our ambitious goals. We will continue to invest in new research.

Addressing the Future

Today, Aanjaneya has crafted strengths in critical areas like manufacturing, marketing and finance. Combined with our integrated architecture, these allow us to plan for our organic growth both vertically through our defined business segments as well as horizontally into new markets. Our intent – and our commitment to our stakeholders – is to remain different, distinctive and driven to expand our potential. In pursuance of this objective, we are taking steps towards the future – acting from a position of strength and taking our performance to the next level. We are making a paradigm shift.

These are exciting times. We have begun another year with enthusiasm. We will maintain Aanjaneya's tradition of prudent conservatism, but will act decisively to grow our business when we identify the right opportunities. We will accelerate Aanjaneya's growth rate, provide superior returns and enhance shareholder's value. We are where we are because of the capable people that we have.

We are fortunate and are taking care to build a company of performers. We are grateful to all our employees for their dedicated efforts. We shall harness this confidence to deliver on our promise of sustained long-term growth.

Sincerely,

K. V. VISHWANATHAN

Chairman



The Certificate of "Great Place to Work" with Award



Certifications

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We are rated the best company to work with in India

Now see how our employees rate us



Aanjaneya Lifecare is one of India's emerging integrated pharmaceutical companies with established research, manufacturing and marketing capabilities. I specialize in formulations development. When I applied for a job as an R&D formulation scientist, the position was interesting especially because Aanjaneya Lifecare was looking for someone with a PhD. It matched with what I wanted to do; it was the best opportunity for a scientist.

Mr. P. Y. Sarode



Aanjaneya Lifecare has a stimulating environment that offered many opportunities. In the QC lab we analyze products coming from our production plant. This allows you to get in touch with colleagues from other departments and work with different issues. In our Quality Control Department we have a very friendly and cooperative environment. I cannot imagine myself working anywhere else!

Mr. Prashant Kadam



What immediately struck me about Aanjaneya Lifecare was the informal and friendly approach of my colleagues. Once I started working, I understood that Aanjaneya Lifecare gives young graduates the opportunity to grow, learn, and take on new challenges. Even if you are a recent graduate, you are immediately given interesting and stimulating tasks.

Mr. Anil Singh



I had always liked my labs and fundamental chemistry classes. Even more importantly, it seemed more proactive to me to be involved in the development of new drugs rather than helping individuals with their prescriptions. I sacrificed a more intimate contact with the people I was helping but for me, found an area where I knew I could be the most beneficial to my fellow man.

Mr. Narayan Chari



I support the Training and Organizational Effectiveness Department. Currently I am following a very interesting project focused on developing managerial skills. Aanjaneya Lifecare is a company where continuous training and development is considered crucial and employees are very involved and enthusiastic when you propose new ideas.

Mr. Antony Pareira



At Aanjaneya Lifecare it is possible to gain a 360° experience because you have the opportunity to be involved in different, challenging activities. Aanjaneya Lifecare is a great place to work. There's a vast array of career opportunities and my work provides rewarding learning experiences. Every day I work with a diverse team of professionals all committed to the same end goal: improving quality of life.

Mr. S. Naik

From the desk of MD



Dr. Kannan Vishwanath
(Ph.D)
Vice Chairman &
Managing Director



In sum, I believe Aanjaneya is well positioned. Ours is a company that works today and patterns itself for the future. We have the base, the expertise and the structure to move ahead.

CONSISTENT GROWTH ...

Fiscal 2010-11 was a great year. There was encouraging improvement in all key parameters.

Gross sales reached Rs.320 crores, up 100 % over the previous year. Net profit rose to Rs.36 crores , an increase of 125 % on 2009- 10 . The EPS of Rs.52. (face value Rs.10 per share) showed a healthy rise as compared to the earlier year EPS of Rs.29. Overall, we added significant value to the Company.

To me, the most notable thing about our performance was the consistency it reflected. It was another year of sustained growth in sales, income, margins, manufacturing efficiency and employee productivity.

This consistency is the consequence of measures we've taken over the past three years to fine-tune our production and supply chain; to add to capacities; to align our R&D better; and to innovate across the board - including our factory floors. Our management of complex chemistry is our pride. We have become a knowledge based pharmaceutical company.

Cost Leadership

As a pharmaceutical company, our *raison d'être* is to put our expertise to work for our customers – to bring them quality medicines at affordable prices. Aanjaneya is on course to be the most cost-effective producer.

We continue to apply our manufacturing strengths resolutely. This year saw our raw material facility at Mahad stabilize production levels with the result that our formulations unit can now receive raw material at lowered costs. Impact of this initiative will be seen on a full-year basis from 2011-12. The resulting margins will go straight to the bottom line. This mega-facility is helping to increase volumes and contributing to greater economies of scale. We are making renewed efforts to step up capacity utilization.

These additions to our manufacturing platform give us agility and flexibility. We can take a 'demand pull' approach. We will consistently make quicker decisions



and respond faster to the needs of the market. We will remain a reliable source for our customers. Our manufacturing capabilities will give the Company its competitive edge. We can now produce large volumes at optimum cost. Our operating efficiencies mean more value for every invested Rupee.

Solidifying the Standard

We also expect inspections from the Various Health Ministries from Emerging Markets to inspect our units in 2011. Our processes are geared to clear stringent quality checks and our documentation is comprehensive. We are confident of our high standards and quality.

Our generics program for the regulatory markets is gaining momentum. Currently, we have 5 Drug Master Files (DMF) pending before the US FDA. This number would increase, with 10-15 submissions expected over the next 12 months. Additionally, 5 applications for Certificates of Suitability (CoS) and 5 applications for EDMF have been filed with the EDQM. Approvals have started coming. We have recently received the first CoS. April 2011 saw the opening of our new research centre at Mahad. This facility is equipped with sophisticated laboratory testing equipment. This new lab will speed up research for potential generic opportunities.

Aiming Higher

The future dominates our thinking and captures our imagination. We are racing ahead with our master plan. Our objective is to be a significant player in the emerging markets, and enhance stakeholder value.

In 2011-12, we'll focus on higher returns on our committed capital and maintain our financial strength. We'll steer operational initiatives and unleash our R&D potential. Our current product and market offensive will propel top and bottom line growth.

Sincerely

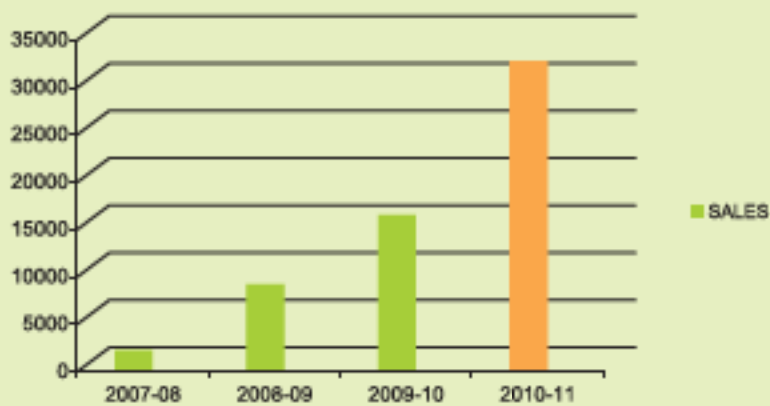
Dr. Kannan Vishwanath (Ph.D)

Vice Chairman & Managing Director

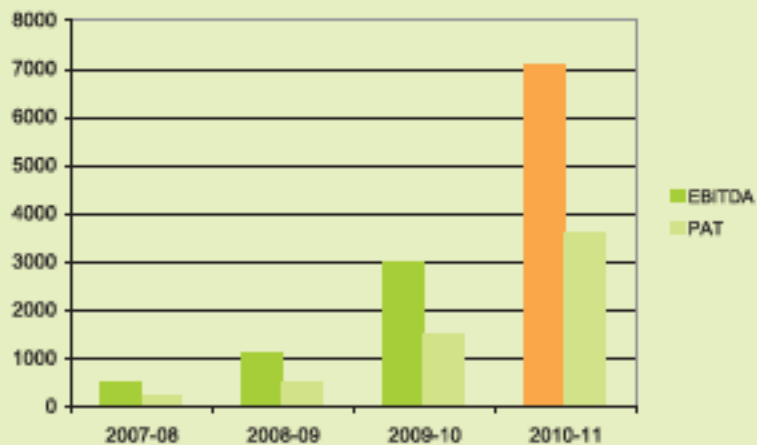


Financial Highlights

	2007-08	2008-09	2009-10	Rs Lacs 2010-11
SALES	2188	9013	16167	32026



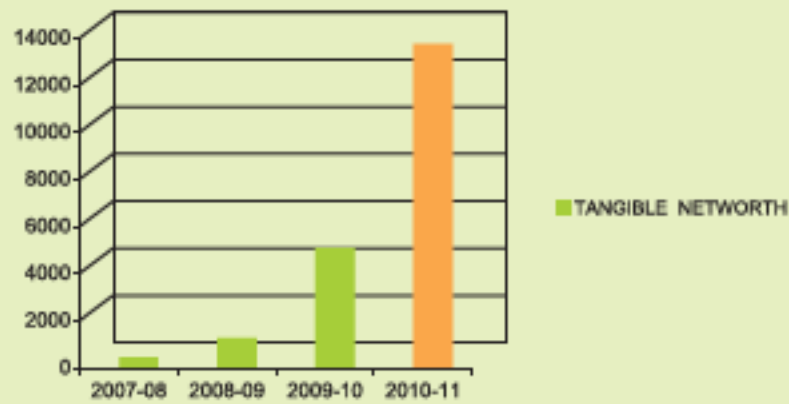
	2007-08	2008-09	2009-10	Rs Lacs 2010-11
EBITDA	506	1092	2980	7084
PAT	232	511	1508	3601





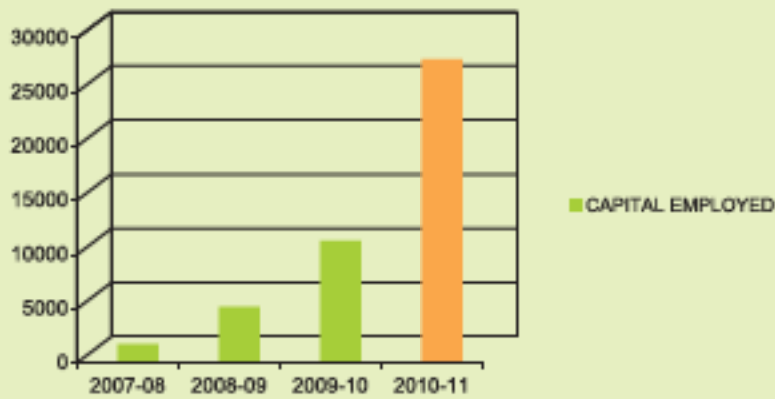
	2007-08	2008-09	2009-10	Rs Lacs 2010-11
TANGIBLE NETWORK	432	1238	4977	13439

TANGIBLE NETWORK



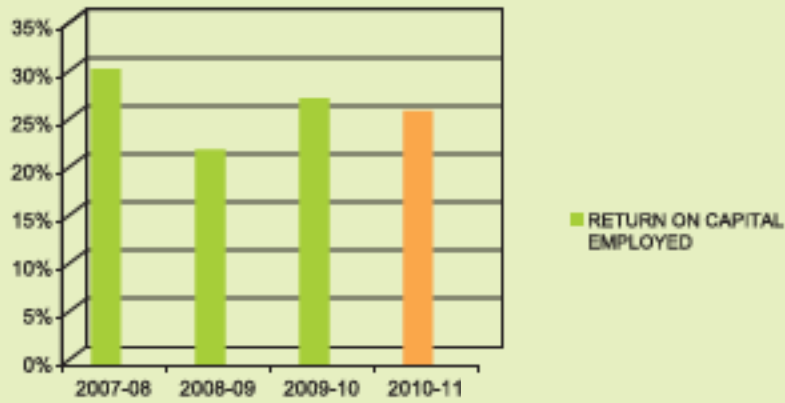
	2007-08	2008-09	2009-10	Rs Lacs 2010-11
CAPITAL EMPLOYED	1676	5001	10947	27323

CAPITAL EMPLOYED

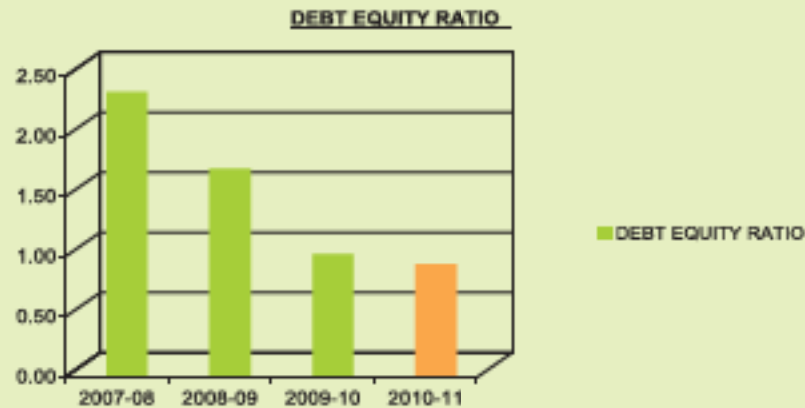


Financial Highlights

	2007-08	2008-09	2009-10	2010-11
RETURN ON CAPITAL EMPLOYED	30%	22%	27%	26%



	2007-08	2008-09	2009-10	2010-11
DEBT EQUITY RATIO	2.31	1.69	1.00	0.92





	2007-08	2008-09	2009-10	2010-11
EPS	11.59	10.32	30.34	52.00



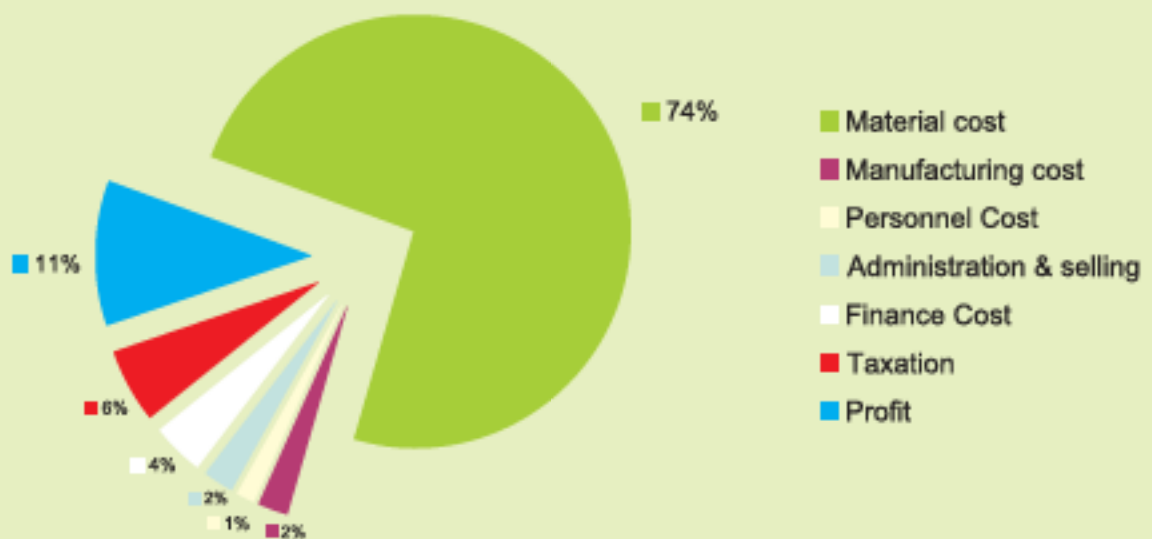
	2007-08	2008-09	2009-10	2010-11
Book Value of Share	21.59	25.00	86.16	177.37



Financial Highlights

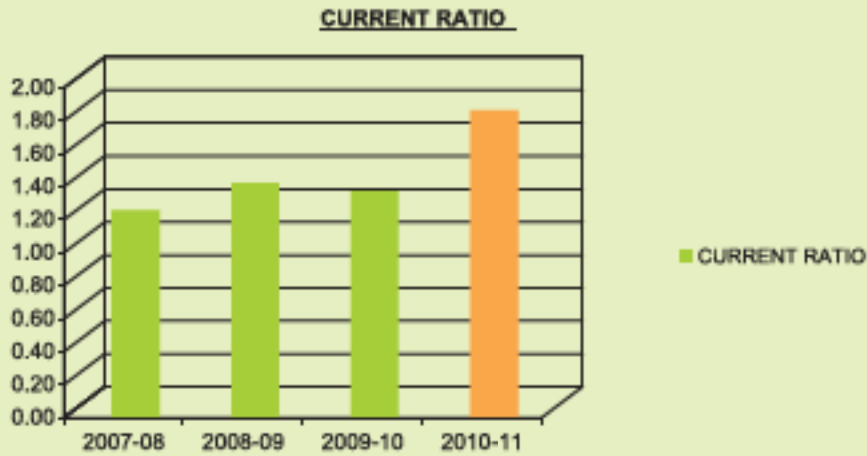
		Rs Lacs
Material cost	74%	24703
Manufacturing cost	2%	803
Personnel Cost	1%	463
Administration & selling	2%	684
Finance Cost	4%	1361
Taxation	6%	1858
Profit	11%	3601
Total	100%	33473

Income Distribution -FY 2010-11





	2007-08	2008-09	2009-10	2010-11
CURRENT RATIO	1.22	1.38	1.33	1.81



	2007-08	2008-09	2009-10	2010-11
Total Outside Liability To Net Worth	3.75	2.10	1.59	1.12



Add Good Health to Life Naturally!!!





Challenges and Strategies

We know what we are doing. And we know how to do it.

The challenges we face and the strategies we have in place to meet them.

Entering regulatory markets

This will be a challenging time for the company. We are making the shift to a highly regulated market environment. The rules of the game are going to be very different. Our every step will be evaluated. Quality and consistency are the drivers in these markets. These will determine a company's success. Aanjaneya insists on delivering consistent quality. We are investing in the future by building trust and goodwill. Years of careful thought followed up with diligent preparation have made us ready for this leap.

Timing our entry

Timing of the product's launch is critical to its success. The generics market, especially in the initial years following patent expiry, is highly rewarding. Being the first mover has its advantages. Delays in the launch could mean a loss of market share. We have wisely commenced work on generics, in narcotic segment a few months ago. We hope to commercially launch our product in next 12-18 months.

Gearing up for inspection

We expect regulatory audits at some of our production facilities in 2011-2012. Our consistency in maintaining standards will prove our commitment. At Aurobindo, we believe the process to be every bit as important as the result. Nothing is taken for granted. Perfection is our mantra. Every process, every aspect of production is being put to the test. Conscious of the stringent standards adhered to by the regulatory authorities, we are not leaving any room for error. Checks and counterchecks are the order of the day. With the result, production runs like a well oiled machine; smooth and defect-free. The dress rehearsals are in progress. Our systems are in place. Our operating procedures are watertight. Our documentation is complete. As soon as the approvals roll in, Aanjaneya is scheduled for take-off.



A word about Global Generic Business



Shashikant Shinde
Executive - Director

Generic drugs are very important today. Here's why-

What are generics?

A generic drug is one which contains the same active substance in the same dose and pharmaceutical form, and is administered in the same way and with the same therapeutic dosage as the existing brand-name drug. A generic can also be taken with the same degree of safety as the brand-name drug and is totally interchangeable with the latter.

Does the generic drug have the same effect as the branded drug?

Yes. Generic drugs have the same therapeutic effect as the branded or reference drugs. The generic drug can be interchanged with the reference drug, since it has been submitted to bioequivalence testing.

What is the bioequivalence test?

The bioequivalence test demonstrates that the generic drug will produce same blood levels of the active substance in humans which are equivalent to those produced by the brand-name product, or reference drug.

What is the active substance?

This is the substance in the formula of the drug responsible for its therapeutic effect.

What is the advantage of buying the generic drug?

Good quality of the generic drug confirmed by the regulatory authority and its lower cost as compared to the innovator drug.

Are generic drugs successful?

The world market for generic drugs is growing by about 11% a year. In the United States, prescriptions of generic drugs account for around 42% of all prescriptions. The United States, Japan and Germany account for approximately 60% of the world generics market and its growth is inevitable. Drugs sold under the name of the active substance are so successful that in the US market the average cost to the user represents a saving of at least 30% over that of branded drugs.





Why we are in business?

Lifestyle Diseases	Oncology	Hypertension	Herbal Supplements
<p>Unhealthy lifestyles characterised by poor diet and inadequate exercise lead to lifestyle diseases like alzheimer's, asthma, cancer, diabetes and heart diseases, among others</p> <p>USD 236.6 mn losses incurred in India owing to lifestyle diseases</p> <p>Aanjaneya's new multi-API facility is capable of manufacturing six drugs for the lifestyle diseases segment and formulate the same in our Finished dosage segment and offer it as generics</p>	<p>Cancer is responsible for 13% of all human deaths. Exposure to carcinogenic materials is unavoidable in modern day lifestyles</p> <p>USD 500 mn projected growth in cancer patients cost of treatment 2000 and 2020 (Source: WHO)</p> <p>Aanjaneya has commenced construction of dedicated block that will offer the entire range of anticancer drugs</p>	<p>Hypertension, in the absence of timely diagnosis and treatment and combined with abnormal blood sugar and cholesterol levels, could lead to heart attacks, kidney failures, retinopathy or strokes</p> <p>213.5 mn hypertension patients in India by 2015, double the 118 mn in 2000 (Source:timesofindia.indiatimes.com)</p> <p>Aanjaneya is offering a range of Formulations in this segment from their facility in Pirungut Pune</p>	<p>The incidence of Liver and CNS diseases is on the rise owing to the fast-paced modern lifestyle</p> <p>30 mn Size of Herbal Supplements Market in USA and Europe</p> <p>Aanjaneya is offering Herbal products in Both Syrups and tablets to cover</p>
Cardiovascular	Diabetes	Infections	Tobacco
<p>Increasing urbanisation, sedentary lifestyles and stress have significantly increased the incidence of heart ailments</p> <p>60% of the world's heart patients are projected to be in India by 2014</p> <p>Aanjaneya plans to offer a range of formulations in the cardiovascular segment</p>	<p>Although not a direct result of unhealthy lifestyles, diabetes is aggravated by the modern way of life</p> <p>180 mn people across the world are diabetes-affected (Source: WHO)</p> <p>Aanjaneya Plans to offer Anti Diabetic Drug through Lozenges as drug delivery system</p>	<p>Globally, the anti-infective market is expanding owing to declining bacterial resistance and growing life-threatening bacterial diseases</p> <p>USD 65 bn is the current global anti-infective market</p> <p>Aanjaneya is offering a range of Herbal supplements which boosts the immune system</p>	<p>Low prices, aggressive and widespread marketing, ignorance and inconsistent public policies against use are major factors that have failed to limit tobacco use</p> <p>5.4 mn people die worldwide annually owing to tobacco consumption-related diseases</p> <p>Aanjaneya for the First Time in the World is offering Anti Smoking Lozenge called Nicco- Nil which on regular use reduces the urge to smoke</p>





Research & Development

Post 2014 over \$50 billion worth of branded revenue is thrown open to generic competition. A huge opportunity.

R&D at Aanjaneya is the lifeblood and oxygen of the company. Often it is also the backbone.

Our scientists at the Research Centre are hard at work creating and augmenting the chemistry of each process. In essence, they are making science go commercial. This is applied research. Success does depend on the resources available. More importantly, it depends on the commitment of the people involved, on their creativity, enthusiasm and performance. Aanjaneya possesses an able team that is delivering value. In readiness for highly competitive markets, we have reverse integrated our pipeline to include formulations, intermediates and active pharmaceutical ingredients (API). Aanjaneya's basket of products now covers the gamut of formulations to cater to wide variety of geographies.

Our R&D efforts are providing us with the powerful chemistry we will require to compete in regulated markets. We have identified and standardized non-infringing processes that go toward the making of selected Anti Malarial, Narcotic Ace Inhibitors, Erectile Dysfunction and Herbal Supplements.

Armed with superior information, our production team has hiked quality levels. We don't just match the standards set by the Pharmacopoeias. We exceed them. While we realize that research can take many directions and do actively encourage the flow of new ideas, we have directed efforts to ensure that a few near-term objectives bear fruit. Today, our pipeline is broad, diversified and promising. Fiscal 2012 should see the company able to register a number of potentially lucrative patents.

Invisible R&D efforts

Our visible R&D efforts exist in the form of new products but many of our efforts remain invisible to the outside. What have we actually done? Some innovations lead to the improvement of manufacturing processes by making them more cost-efficient. Others make possible a better exploitation of raw materials. Both kinds increase productivity. These invisible elements of R&D are equally important to the Company.

Our manufacturing processes have continuously evolved over the past few years. Our

senior scientists oversee crucial production stages. Mixing our industrial know-how with scientific insight has provided us with perceivably quicker processes. Aanjaneya has a dedicated kilo lab at the R&D centre.

This is a pilot plant capable of simulating production on a small scale. We run-through small experimental batches to test the uniformity of the process. Only when we are completely satisfied with its consistency and viability, do we move into full production.

R&D initiatives to improve manufacturing processes have resulted in a significant increase of production efficiency and lesser costs. Speed to market remain critical to success in our industry. We have relentlessly increased the efficiency of our product development efforts. Our marketing division liaises closely with R&D to ensure that commercial opportunities are identified quicker.

To complete the cycle, feedback from our associate's and consumers goes back to our R&D Centre. Improvements are made, resulting in perceptible customer satisfaction.

Aanjaneya's aim is long-term sustainable and profitable growth. R&D is the key to achieving this. We like to stay one step ahead.

Our advantages

Aanjaneya's extensive experience, world class production infrastructure, and proven product quality makes it the logical choice for its customers.

Aanjaneya clearly has the upper hand when it comes to manufacturing. The Company is competitive since it does not outsource most of its key raw materials and handles the entire production process from start to finish.

The Company has invested over Rs.48 crores to scale up its production capabilities during the past three years to ensure it has the capacity to meet present and future demand for its products.

The lowest cost operating structure

At Aanjaneya the disciplined use of capital is a credo. Considerable care is taken to ensure that there is no overrun on estimated costs and time. Investments in technology to enhance productivity and reduce overheads are an ongoing process. We are constantly at work to improve manufacturing economics.

An example will illustrate. One of the significant cost control measures adopted has been a reduction in solvent consumption in the production process, while R&D initiatives have helped obtain better yields for the same inputs. Effectively, we cut wastes, save on production costs and ensure that the end product is as effective as it is meant to be. We ensure that the quality is what the customer wants, even if it be better than Pharmacopoeia. We strive to be cost-effective as well.

Superior quality

Aanjaneya quality is undisputed. The care starts from basic raw materials. From incoming raw material to the finished product, Aanjaneya benchmarks itself to produce top end quality.

A quality control group performs tests at each stage in the manufacturing process to ensure compliance with the Company's strict internal standards. Each batch is carefully scrutinized ensuring that Aanjaneya ships zero-defect products. Quality is a regulatory requirement but it doesn't stop there. Our



people take pride in doing what they do. A superior product can never be by coincidence, or accident. The team is dedicated to stamping our quality on every product and every batch we make.

Strategic Flexibility

Aanjaneya has the flexibility to shift production according to the requirement in the market. We take a 'demand pull' approach that allows us to sustain our growth in sales, while reducing our dependence on any single product or market. We believe this to be a unique advantage that allows us to meet our customers' changing needs. Our response level is honed, to be faster and market oriented. The net result is the Company today has a reputation for being a reliable supplier.

Mammoth Capacities

Aanjaneya regular investments in its manufacturing facilities have created an unmatched scale of production. Capacities have been uniformly expanded to meet rising demand. We are also ready for a share of the challenging opportunities of the regulatory markets.

In the process, we have been able to tap into large economies of scale, increasing our cost efficiencies and enhancing competitiveness. Our present capacities allow us to sustain a broad product portfolio and supply diverse markets while maintaining lowered costs. We are ready for the future.

Sustainable Development and Rain Harvesting

Aanjaneya places emphasis on environment friendly processes and products that are safe and gentle on natural resources. Our commitment to

health is central to our research, production and distribution processes. We are not just concerned about the customer and the patient. We care for the process. For instance, Aanjaneya uses a reverse osmosis method of processing waste leading to a significantly reduced pollution load. We have invested in Rain Harvesting in both our Units with Captive Tanks of 6.5 lac litres and 10.5 lac litres in Piringut and Mahad which reduces our dependence on MIDC Water.

We meet today's needs while ensuring that the interests of future generations are not compromised

Green Development

The New Capex happening in Mahad API Complex and Pirungut FDF Complex is using Eco Friendly and recyclable material. Upon Completion these buildings would be rated by LEEDS for Gold and Platinum star Ratings.







Transforming ourselves to be a global player

Our Performance Drivers We do everything today, that will make the tomorrow better. Consistent with this focus, we have studied industry trends and mapped our future course. At Aanjaneya our efforts are focused on delivering real value to our customers, associates, and employees through sustainable growth over the years ahead. This happens because of a number of initiatives that we have taken. Certain key strategies that we have identified as long-term growth engines are iterated here:

Penetrating Semi-Regulatory Markets

It is an exciting period for the pharmaceutical and healthcare industry. The existing patent regime is undergoing an upheaval of sorts. A multitude of drugs are due to come off-patent in the near future. This will throw the markets wide open. Billions of dollars worth of branded revenue will be made available to generic competition. This is an opportunity like never before for our Company to scale up the value chain. Aanjaneya is making the transition. Aanjaneya has upgraded its business model. The Company is focusing its energies towards the semi-regulatory as well as the global generics market. This is a value addition move - one that will see the Company grow from strength to strength.

Aanjaneya will emerge a global pharmaceutical company with a visible presence in the markets of the First World.

Widening our product range

Aanjaneya has concentrated its R&D efforts on diversifying the Company's product portfolio. Several drugs facing patent expiry, have been identified as low risk – high return

opportunities. We will be present in our recognized areas of competence, with a wider basket backed-up with requisite international regulatory approvals. The Company respects third party intellectual properties and is committed to creating processes that are non-infringing. Considerable care is being taken to grow where opportunity exists.

De-risking the future

Entering the regulated markets with a wide product portfolio will mitigate the risk factors that are inherent to such bold shifts in environment. A large product basket significantly adds to the Company's capability to absorb any temporary setbacks. We are taking care to be the first mover in as many products as possible. In the process, Aanjaneya will stay competitive.

A potent market mix

Apart from our operations in India, Aanjaneya exports pharmaceutical products in the form of APIs, and formulations to over 40 countries worldwide. Our strength is in our wide reach. We intend to consolidate our market space in these countries. Many of these are emerging markets and offer high growth opportunities.

What Aanjaneya global presence means in real terms is that we will always be in a position to anticipate and seize any opportunity that comes up. The synergies accrued from diversifying our market mix will result in lower costs and higher margins. Our market risks are effectively minimized and capacity utilizations are optimized.

Vertical Integration

Aanjaneya today holds leadership positions in bulk actives both in domestic and global

markets. We have added value by moving into generics. In-house manufacture of active pharmaceutical ingredients (API) and intermediates gives the Company that additional competitive depth.

Vertical integration will play a key role in Aanjaneya current evolutionary phase. This strategy will act as a fulcrum, stabilizing operating margins. Aanjaneya global generics business will be leveraged on its strength in APIs and intermediates, to maximum advantage. A vertically integrated Aanjaneya is insulated from the fluctuations that routinely plague non-branded markets. Our API facilities are now assured of a consistent volume supply of grade "A" raw material. Our formulation units in turn, enjoy timely production of APIs and intermediates.

We have brought almost all our processes under one roof, effectively reducing our external dependence.

Empowering R&D

Pharmaceutical industry is growing each year. Growth demands speed. To participate, you anticipate. Aanjaneya is doing just that. We like to respond proactively to changes in industry requirements. In keeping with this attitude, we are empowering R&D – equipping our scientists for the next lap of this race. R&D spending has been increasing steadily each year. This year saw the completion of our new research facility at Mahad. We have placed sophisticated laboratory equipment at the disposal of our research team. Our researchers regularly participate in training workshops to broaden their knowledge. Scientific discussions between our senior experts and fresh graduates are not uncommon. Aware of the challenges ahead, there is a hunger for knowledge and a renewed sense of purpose in our researchers. They are brimming with talent

and are keen to put it to good use. Aanjaneya is also actively adding skillful contributors to the think-tank. Sustained growth is Aanjaneya promise. Our R&D will make it a reality.

Patenting success

We foresee a significant increase in R&D investments. It thus becomes a key business imperative to obtain adequate protection for the intellectual property (IP) generated from this capital.

Aanjaneya has always had a clearly mapped out generics strategy. A central element of this strategy is to focus exclusively on the creation of different processes without infringing on the IP rights of our industry peers. We shall patent our non-infringing processes (NIP), giving an effective shield of enforceable property rights.

The inevitable expiry of product patents will open up the field. Maximizing profits from this opening will be our priority. Aanjaneya will file selectively; keeping an eye on fast moving products that can seize opportunities in the post product-patent regime.



Where do we go from here?

Aanjaneya is constantly evolving and it is R&D that is leading this metamorphosis. We are applying knowledge to maximum advantage. By diversifying our reach and penetrating the regulated markets We stand to gain visibility while also growing our bottom line. Our presence in the domestic and emerging markets gives us a solid platform for growth. Aanjaneya will always be in the right place at the right time. Positioning our products in the regulatory market is the next step. The new alliances we have entered into and our competitive cost strategy will consolidate our presence and secure Aanjaneya future. We have both the vision and the strategy. Our innovation and industry will see us through. The Aanjaneya of tomorrow will be a vertically integrated pharmaceutical powerhouse. Aanjaneya has come a long way. Our experiences have made us a healthier Company – stronger and better prepared for the future. We are poised on the cusp of a bright and exciting tomorrow. We are moving ahead, fast forward.







Management Discussion and Analysis

Economic Background

The year 2010-2011 was a year of resurgence of confidence and optimism in the Indian economy. The broader economy managed the global financial turbulence fairly well and demonstrated its inherent strength and growth potential. After a mild setback, the domestic economy promises a period of sustained growth driven by the robust fundamentals. The economy's strength has highlighted the systemic strengths especially of the Indian banking system, capabilities of the workforce, entrepreneurial skills and reliable agricultural, industrial and service sectors. At a time when the US and European economies showed the sensitivities, a reliable Indian pharmaceutical industry stands further energized to meet the needs of both the developed and emerging markets. The challenges of the global markets have worked as additional opportunities for Indian manufacturers and the opportunities have been seized by almost all the major players in the country.

Industry Perspective

The pharmaceutical industry is one of the success stories of India ensuring that good quality essential drugs are made available at affordable prices to the vast population of the country as well as competing with some of the best names in the global markets. The industry is an intellectual industry and is in the front rank of India's science-based industries with investment in research and development and wide ranging capabilities in the complex field of drug manufacture and technology. India's pharmaceutical industry is now the third largest in the world in terms of volume and 14th in terms of value. One reason for lower value share is the lower cost of drugs in India ranging from 5% to 50% less as compared to developed countries. According to data published by the Department of Pharmaceuticals, Ministry of Chemicals and Fertilizers, total turnover of India's pharmaceuticals industry between September 2008 and September 2009 was \$ 21.04 billion. Of this, the domestic market was worth \$ 12.3 billion. According to an Ernst & Young and an industry body study released in September 2009, the increasing population of the higher income Group in the country will by 2015 open a potential \$ 8

billion market. Besides, the report said the domestic pharma market is likely to touch \$ 20 billion by 2015, making India a lucrative destination for clinical trials for global giants. The accelerated growth over the years has been fuelled by exports to more than 200 countries with a sizeable share in the advanced regulated markets of US and Western Europe. 40% of the world's active ingredient requirement is met by India. Pharmaceutical industry in India ranks very high in terms of technology, quality and range of medicines manufactured. From simple headache pills to sophisticated antibiotics and complex cardiac compounds, almost every type of medicine is now made indigenously. The industry has made significant progress in creation of required infrastructure, meeting global needs for supply of quality medicines and active pharmaceutical ingredients (APIs), as also entering into the highly opportune area of contract research and manufacturing (CRAM) and clinical trials. Export of pharmaceutical products from India showed a combined annual growth rate (CAGR) of 21.25% during three consecutive years ending 2008-09 but grew only by 13% in 2009-10. India tops the world in exporting generic medicines worth of \$ 11 billion. According to a report published by PricewaterhouseCoopers (PwC) in April 2010, India will join the league of top 10 global pharmaceuticals markets in terms of sales by 2020 with the total value reaching \$ 50 billion.

The sector is estimated to have so far created 4.2 million employment opportunities with more than 20,000 registered units. Despite the fragmentation and price competition, the leading 250 pharmaceutical companies control 70% of the market with the leader holding nearly 7% of the market share. While pharmaceutical products are exported primarily to USA, Russia, UK and Brazil amongst a large basket of countries, India's imports emanate mainly from China, Switzerland, USA and Italy. India currently exports drug intermediates, APIs, Finished Dosage Formulations (FDFs), biopharmaceuticals, clinical services to various parts of the world.

GENERICS - AN INTRO

A generic drug product is one that is comparable to an innovator drug product in dosage form, strength, route of administration, quality, performance characteristics and intended use. In USA, all approved products, both innovator and generic, are listed in FDA's Approved Drug Products with Therapeutic Equivalence Evaluations (Orange Book). These drugs also go through a rigorous scientific review to ensure both safety and effectiveness. The generics business, characterized by volume sales and thin profit margins, was not an attractive business proposition for most innovator companies until a few years ago. Innovator multinational companies worried over plummeting profits and business due to the dwindling new drug pipeline and existing drugs going off-patent in the near future, are looking at containing costs and additional revenue streams. India is a globally acknowledged source of high quality affordable generic medicine with rich vendor base. It is not only an API and formulation manufacturing base, the country is poised to become a manufacturing hub for pharmaceutical industry of the world and an emerging hub for contract research, bio-technology clinical trials and clinical data management.

Indian pharmaceutical industry has shown significant progress in terms of infrastructure development, technology base creation and a wide range of production, covering almost all therapeutic categories and dosage forms. This fact is firmly demonstrated by the trends in global exports of pharmaceuticals from India and the number of product approvals received from various global regulatory authorities. Other important features include the cost advantage India offers in comparison with developed markets and the technical strengths of India in development and production of pharmaceuticals.

Global pharmaceutical market intelligence company IMS Health believes the Indian generic manufacturers will grow at a faster clip as drugs worth approximately \$ 20 bn in annual sales will face patent expiry in 2011. In fact, with nearly \$ 105 bn worth of patent-protected drugs to go off-patent (including 30 of the best selling US patent-protected drugs) by 2012, Indian generic manufacturers are positioning themselves to offer

generic versions of these drugs.

Also, there is global shift towards use of generics as governments worldwide are under tremendous pressure to curtail steeply escalating healthcare budgets. Consequently, the generics industry in India after capturing the US markets, is gradually making its foray into Japan, South Africa, Europe and the Commonwealth.

Indian pharmaceutical companies with their reverse-engineering expertise, significant investment in research facilities and availability of skilled manpower are favorably placed in the global generic market. Already, Indian drug companies account for over 25% of the total generic drug applications made to the US FDA, which accounts for over half of the \$ 60 bn market. The US FDA's latest generic initiative GIVE (Generic Initiative for Value and Efficiency) aimed at increasing the number and variety of generic medicines available to consumers and healthcare providers. Having more generic-drug options means more cost-savings to consumers, as generic drugs cost about 30% to 80% less than brand name drugs and is expected to further fuel the export plans of Indian pharmaceutical companies.

In order to seek approval from regulatory authorities, generic applicants must scientifically demonstrate that their product is bioequivalent (i.e., performs in the same manner as the innovator drug). One way scientists demonstrate bioequivalence is to measure the time it takes the generic drug to reach the bloodstream in 24 to 36 healthy volunteers. This gives them the rate of absorption, or bioavailability, of the generic drug, which they can then compare to that of the innovator drug. The generic version must deliver the same amount of active ingredients into a patient's bloodstream in the same amount of time as the innovator drug.

Generic drug applications are termed "abbreviated" because they're generally not required to include preclinical (animal) and clinical (human) data to establish safety and effectiveness. In USA, bioequivalence as the basis for approving generic copies of drug products was established by the 'Drug Price Competition and Patent Term Restoration Act, 1984' also known as the Waxman-Hatch Act. This Act expedites the availability of less costly generic drugs by permitting FDA to approve



applications to market generic versions of brand-name drugs without conducting costly and duplicative clinical trials. At the same time, the brand-name companies can apply for up to five additional years longer patent protection for the new medicines they developed to make up for time lost while their products were going through FDA's approval process. Brand-name drugs are subject to the same bioequivalence tests as generics upon reformulation.

Crams In Brief

Contract research and manufacturing services (CRAMS) has become a promising medium for the Indian pharma industry, with India increasingly being viewed as global hub for CRAMS. Over the last 5 years, the CRAMS industry has been contributing close to 8% of the total Indian pharmaceutical business. Developed countries are expected to further propel the CRAMS industry to grow at a faster clip as India offers global pharma companies both quality and cost advantage.

Contract research, including both drug discovery research and clinical research, has been growing at a phenomenal rate. While clinical trials represent 65% of this market, new drug discovery makes up the remaining 35%. Indian companies are playing an important role in early drug discovery processes due to their substantial experience in the field of generic drugs with India becoming an established venue for chemistry and drug discovery developments than China. The global market for contract manufacturing of prescription drugs is estimated to increase from a value of \$ 26.2 billion to \$ 43.9 billion. India could potentially capture 20% to 40% of the outsourced market share for active pharmaceutical ingredients, finished dosage formulations and intermediates.

Frost and Sullivan estimates outsourced contract research in India to reach \$ 2 billion by 2012. Similarly, according to a McKinsey report, the global clinical trial outsourcing to India in the pharmaceutical industry is estimated to be worth \$ 1.23 billion. Over 15 prominent contract research organizations (CROs) are now operating in the country. Contract manufacturing is another new opportunity for the Indian pharmaceutical industry. Already, India has the largest number of US Food

and Drug Administration (US FDA) approved plants outside the US, with over 100 facilities. And now even small and medium scale pharmaceutical companies are setting up new and upgraded high-quality manufacturing plants to take part in this growing segment. Established generic companies would like to outsource or buy services in formulation development, bioequivalence testing, stability studies centers, etc. India is significantly ahead in chemistry services such as analog preparation, analytical chemistry, combinatorial chemistry, structural chemistry, structural drug design, computer aided drug design, high throughput screening and assay development.

There are opportunities such as licensing deals with MNCs for New Chemical Entities and New Drug Delivery Systems, marketing alliances for MNC products in domestic and international markets and contract manufacturing arrangements with MNCs. There is enormous potential for developing India as a centre for international clinical trials. The country can become a niche player in global pharmaceutical R&D and there are possibilities for expansion of bio-similars and bio-pharmaceuticals.

Company Perspective

Aanjaneya's commitment to create good health, manufacture and deliver high-end quality products and be a value creator for its Stakeholders act as a constant driver for improvement. This high energy pharmaceutical company has a passion to succeed in the most competitive markets. The Company straddles key strategies from APIs to formulation and is one of the most cost effective producers in the world. Vertically integrated manufacturing process and captive raw material source makes an impact in product marketing. Ability to control quality and power to price has helped Aanjaneya to offer quality pharmaceuticals at affordable prices. The investments made in the past are paying off. The Company had built large manufacturing capacities for both active ingredients and formulations, created a substantial pipeline of approved products and undertaken development work in the market to launch them. Aanjaneya's core competence in manufacturing, cost effectiveness and quality consciousness have been supplemented by the geographical reach and

marketing channels. Aanjaneya was able to deliver better than the earlier years, and now has a platform for aggressive and successful product launches.

As in the past, the financial year 2010-11 saw higher volume sales year-on-year as well as higher revenues. The volume sold was also higher primarily because of the focused marketing efforts, larger geographical presence and a large approved product portfolio. Aanjaneya has been able to gain visibility in key markets and ramp up volume shares for large runners in the formulations market.

Aanjaneya has invested in the future and worked hard to build a large portfolio and sought product approvals in all relevant categories. Necessary approvals have been received at rapid pace, and the Company will continue to keep the momentum and seek such product approvals, and when received shall make suitable marketing arrangements. Contract research and contract manufacturing (CRAMS) are other areas that are being pursued. These are potentially attractive businesses with possible long term relationships. With the technology platform and skilled professionals available both at R&D Centre and in the production facilities, Aanjaneya is able to offer products and services that the customers want. Multinational pharmaceutical companies have perceived Aanjaneya's facilities as extensions of their own labs and manufacturing plants. Across the organization, there is an excitement driving the change to become a global resource in the pharmaceutical industry. In this journey, as in the past, care is being taken to create value for all stakeholders, and in particular, customers and investors.

Threats And Challenges

Price sensitivities get tested in a crowded market where price tends to sag while volume business gets done. Competing pharmaceutical companies have several similar bio-equivalent products in the same market manufactured at facilities that have been approved by the highest regulatory authorities. All of them stay focused on the same markets with the result price elasticity is tested and margins get eroded. The challenges are greater from Indian manufacturers who have similar production facilities. It is also common to find

managers with similar talents and experiences in the industry. Indian manufacturers have made an impact on the global stage and have worked hard to get shelf space. This threat however, does not affect Aanjaneya primarily because of its control over raw material sourcing. The Company is a dominant player in the active ingredients business and has been able to control its quality, save on timelines, control its costs and has the ability to deliver at short notice. Pricing power i.e. the ability to price lower and yet manage to get higher return on sales than the competitors, is a potent strength. This is a unique advantage that Aanjaneya enjoys over manufacturers across the world.

Aanjaneya has been timing its launches to take advantage of products going off-patent and the opportunities available in a first-mover market. This strategy is built around the in-house R&D capabilities, technology strength in manufacturing facilities and the marketing infrastructure. The Company has worked on its speed-to-market abilities and is quick to convert product approvals into invoices.

In addition to the foregoing, the Company has unmatched strengths to cope with the challenges of the market such as experienced staff with ability to anticipate market needs, plan for product launches with supportive documentation, create products that meet regulatory norms, and execute plans within tight cost and time budgets. The professionals within the Company have been trained to create opportunities, replicate the successes and drive business growth.

Internal Control

Aanjaneya has a well-defined and documented internal control system which is adequately monitored. Checks and balances and control systems have been established to ensure that assets are safe guarded, utilized with proper authorization and recorded in the books of account. There is a proper definition of roles and responsibilities across the organization to ensure information flow and monitoring. These are supplemented by internal audit carried out by a firm of Chartered Accountants. The Company has an Audit Committee consisting of three Directors, . This Committee reviews the internal audit reports, statutory audit reports, the quarterly and annual



financial statements and discusses all significant audit observations and follow up actions arising from them.

Human Resources

At Aanjaneya, people are a key driver of success. Employees stay fully engaged to achieve customer engagement. Recent recruitments undertaken and the management of the economic downturn continue to underscore the need for effective talent planning and management. Our focus is on intensifying our efforts to become a centre of operational excellence as an employer, and on investing in the development of a skilled, engaged and proud talent pool around the globe. The Company provides a safe and rewarding environment that attracts and retains a talented team and where employees are engaged in delivering exceptional results to the customers and investors. Aanjaneya is strengthening the motivation and engagement of employees by examining, developing and introducing a consistent employment value proposition to the existing and prospective employees. The key objective is to align the selection, talent management, employee engagement and recognition processes to drive the corporate growth objectives. As at March 31, 2010, there were 250 employees creating momentum and driving the Company's competitive advantage. They have been striving to meet the expectations of the customers and creating wealth for investors by delivering superior shareholder value.

Outlook

Aanjaneya has a proven and tested business model, a prudent strategy and competent people with expertise to deliver planned results. There is a strong balance sheet that supports the business plan. The professionals in the Company have a defining role in significantly accelerating its growth and transformation, and enhancing its position as one of the most valuable companies. Key strengths of the Company include its manufacturing infrastructure, the knowledge base at the research centres and the ability to deal successfully with its process chemistry strengths. All the strengths have been tested from the perspective plan to manufacturing plant and later in the market place.

There is a powerful marketing infrastructure backed up by state-of-the-art manufacturing systems that are driving the business.

Looking ahead, Aanjaneya is determined to create a significant market presence and offer quality products and services, to meet both customer and stakeholder expectation.







Risks and their management

Risk management is an integral part of the Company's plans, the business strategies, monitoring systems and results. Aanjaneya has embedded risk management activities in the operational responsibilities of management and made them an integral part of overall governance, organizational and accountability structure. One of the priorities in the Company's growth trajectory is active risk management, to build further on the current successful practices and learn from experiences. It also provides the basis to select risks that drive value while proactively mitigating, managing or transferring risks that do not create value. While Aanjaneya has a proven ability to successfully take on challenges; the efforts are to become even more proactive in recognizing and managing risks through a more structured framework. The magnitude of the recent financial crisis, as well as its significant repercussions on the world economy and on many of the customers and suppliers highlighted more than ever the need to have a broad and comprehensive risk management approach.

Aanjaneya is adopting a broad and strategic approach to risk management taking into account both internal and external risks, and strengthening the governance process to respond swiftly to changing dynamics. The Company has taken cognisance of the compliance and operational risks to be addressed involving the people, the processes, technology and outsourcing of products and services. A structural framework to identify, mitigate and manage all the risks on an ongoing basis is being put in place in the current year. While there are several risks associated with a pharmaceutical manufacturing Company, some of them need to be examined to appreciate the steps taken to mitigate them and are presented below:

Risk related to economic and political conditions in the world

An economic slowdown could adversely affect the Company's business and results of operations.

Aanjaneya has a product basket that straddles several therapeutic segments and has approximately 95 % of its revenues from domestic

market. The balance 5 % from the emerging markets. Care is taken to grow in each of its product segments and is striving to improve its presence in each of these emerging markets.

The Company is in process of receiving regulatory approvals for large number of products in emerging markets in a bid to widen the geographical reach. The product portfolio and the pipeline are being further strengthened, with a view to gaining new market presence. Efforts are also being made to strengthen presence in potentially large markets such as Brazil, South Africa, Canada, Australia, North and West Africa as well as Middle East to step up business. These initiatives would also help consolidate Aanjaneya's volumes and revenues over the long term. Slowdown in any one economy will not have a major influence on the industry. Overall, the healthcare industry is not price elastic, and is reasonably insulated from recessionary trends.

Competitive pressure

Our products face intense competition from products developed, or under development, by other companies in India and abroad. Competition could be from major pharmaceutical and chemical companies, specialized contract research organizations and research and development firms.

In a highly competitive market between equally competent players, it is critical to have unmatched and unique strengths that improve market share, reduce risks while adding potential value. Aanjaneya indeed has unique strengths which enable the Company to face its competitive pressures better than its peers. This risk perception would not apply to Aanjaneya since it is vertically integrated. For most of its generic formulations, the Company has captive manufacture of active ingredients. This helps keep the cost under control, and improve margins. In a price sensitive industry, with its operational efficiencies Aanjaneya is able to offer products at competitive prices. This is one of the major strengths of the Company.

Risk relating to regulatory approvals

Some of our competitors especially multinational pharmaceutical companies have greater experience in clinical testing and human clinical trials of pharmaceutical products and in obtaining international regulatory approvals. This could render our technologies and products uncompetitive or limit our ability to introduce new products impacting adversely our business.

Aanjaneya has a talent pool of scientists who have considerable experience in handling complex chemistry as well as filing applications with the regulatory authorities. The in-house team has applied for over 12 approvals for DMFs out of which 5 are with the US FDA. Approvals received from US FDA total 4. The capabilities of the research scientists have been proved by the aggressive filing and the speed at which the approvals have been received. The research team has also demonstrated their ability to scale up and commercialize the products.



Risk related to lack of pricing power

Certain of our products are subject to price controls or other pressures on pricing. Price controls limit the financial benefits of growth in the life sciences market and the introduction of new products.

With near perfect competition in the generic industry, prices are a function of supply and

demand. Prices do trend in response to supplies as well as competitive pressures. Domestic pricing is also influenced by global trends in both availability and price of imported active ingredients. Industry players with marked presence in segments with demand are able to differentiate themselves and offer value proposition. In some segments, the brand value and offer has enabled players to price the products appropriately. Aanjaneya is able to cope with pricing pressures and the Company's focus on quality assurance has minimized the possibilities of commoditization.

Aanjaneya strives to protect margins and has been responsive to the needs of growth as well as profitability.

Risk relating to protecting patents

Our success will depend on our ability in future to obtain patents, protect trade secrets and other proprietary information and operate without infringing on the proprietary rights of others.

Aanjaneya has a dedicated IPR team of trained scientists whose primary task is to ensure that the Company's products are manufactured using only non-infringing processes. So far the Company has filed for 15 patents and designs and has been granted 5 non-infringing process patents. Adequate care is taken to respect trade secrets, know-how and other proprietary information and ensures that the employees, vendors and suppliers sign confidentiality agreements.

Risk related to high dependence on specific markets

We depend on the US market for a significant part of our future operating results. Failure to develop profitable operations in that market could adversely affect our business, results of operations, financial condition or prospects.

The Company has been consciously spreading its risks. Formulations business is growing as a proportion of the revenues, which has reduced the dependence on active ingredients. While the initial thrust for the generic business was made to gain foothold in domestic market. The company is



making significant inroads into the Emerging markets, especially in Africa. Aanjaneya would be further accelerating with its marketing strategy to gain business volume in 18 more countries of East Europe & CIS countries. Ongoing efforts are to widen the geographical spread by foraying into markets with large potential such as South Africa, Brazil, Australia and Japan. In order to improve the business, results of operations and financial condition, the strategy is being implemented with a time bound action plan.

Risk related to Human Resources

Aanjaneya's success depends largely upon the highly-skilled professionals and the ability to attract and retain competent managerial personnel. The industry is human capital intensive with a high rate of attrition.

This is a result oriented Company with a focused approach to customers, markets and products.

There is premium attached to Completing tasks on time and being cost conscious. Aanjaneya is therefore a demanding organization and hence recruits, trains and builds a team of achievers. Aanjaneya has been fine tuning its HR practices with the objective of providing an environment that encourages people to deliver results. The current phase of accelerated growth is backed by systems that meet future needs. Second-in-command in each key function and decentralized management style has developed much stronger organization culture. There is a proactive approach to human resource management and the employees are given responsibility with authority. Emphasis is on accountability and they are encouraged to raise the bar and perform to their potential. The professional approach in day to day management has enabled the staff to stay motivated. As in the past, the attrition in the Company is much lower than the industry average.



Director's Report

To,
The Members,

The Directors of your Company have pleasure in presenting their fifth annual report together with the Audited Balance Sheet as on 31st March, 2011, the related Profit and Loss Account for the year ended on that date and the Auditor's Report thereon.

Financial Results:-

This fiscal has been an exciting year in terms of growth and profitability. To build further on the success achieved by the Company we have embarked on increased investments in all aspects. We are confident that these spends will enable us to maintain our growth trajectory into the future.

The Financial Highlights are given below:-

Figures in (₹.Lacs)

	2010-2011	2009-2010
Sales and Other Income	32,045.46	16,219.78
Profit before Depreciation, Interest and Tax	7,078.18	2,977.03
Depreciation	258.36	87.88
Interest	1,361.04	603.65
Profit after Depreciation and Interest	5,458.78	2,285.50
Provision for Tax	1,857.50	777.73
Net Profit after Tax	3,601.28	1,507.77
Balance B/f from previous years	2,250.33	742.56
Balance transferred to Balance Sheet	5,851.61	2,250.33

Mr Prabhat Goyal
Executive Director



Year in Retrospect

The Companies Sales increased by 98% from ₹.16,167.15 Lacs in the previous year to ₹.32,025.98 Lacs in the current year. EBITDA increased by 138% from ₹.2,979.63 Lacs in the previous year to ₹.7,084.25 Lacs in the current year. PAT increased by 139% from ₹.1,507.77 Lacs in the previous year to ₹.3,601.28 Lacs in the current year. EPS increased from ₹.30.34 in the previous year to ₹.52.00 in the current year. Debt equity ratio improved from 1.00 in the previous year to 0.92 in the current year. Total outside Liability to Net Worth improved from 1.59 in the previous year to 1.12 in the current year.

Business Outlook

Our Company's business strategy is to be a vertically integrated with presence in bulk drug manufacturing, intermediate drugs and finished dosage forms. The assets recently acquired at Mulshi, Pune engaged in the business of formulations/ FDFs has helped us to contract manufacture of lozenges, syrups and ointment/gels/creams. This acquisition gives us access to tap the potential of the formulation business thereby making us an integrated player with presence in the entire value chain in the pharmaceutical industry. The unit, is GMP certified and is spread over an area of 6,430 sq. mts. at Mulshi, near Pune.

Our Company's present product portfolio consists of second generation, quinine based anti malarial APIs and third generation artemisinin based anti malarial APIs, niche APIs and FDFs. With the expansion of the existing facility and the acquisition of the formulation unit at Pune, our Company's product portfolio will consist of APIs and FDFs which shall be marketed in domestic and international markets as branded generics. In finished dosages, we will cover important therapeutic segments such as anti malarial, pain management, erectile dysfunction and hormone replacement therapy, anti obesity and herbal supplements in syrup and tablet form amongst others. Our herbal formulations are for cough and cold, liver protection, throat congestion and osteoporosis. Presently we are supplying our APIs, niche API's and FDFs both domestically and international. In our formulation segment, as

contract manufacturer, we supply to companies like Wockhardt, Cipla, Glenmark etc. In our own branded generic segment, we are offering products like Anjtil, Rankorex, Doktor Qure, Prosils, LivChek, Herbal Drops and Eshil. Further, in 2011, we have also launched products like Aanrich, Actipros, Ulsacare, Apticatch, Anjeniya Curcumacare, and Nicco-nil amongst others.

We have an established R&D centre at our existing facility at Mahad and Pune, Maharashtra. Through the proceeds of the Issue, we propose to expand our R&D centre at Mahad and Pune, Maharashtra. Our R&D centre is focused on improving the existing processes of drug development and reducing the production time and cost. Our Company intends to develop products for the oncology segment in its portfolio. We have set up a dedicated small R&D block in Mahad, Maharashtra for manufacturing highly potent anti cancer product from 100 grams to 500 grams..., and are in the process of setting up a separate facility for manufacturing anti cancer APIs. At present, we have 5 patents registered and 5 patents applied in the name of our Company in India, further, we have also acquired rights for 3 patent applications filed for improved and non infringing process for producing anti cancer APIs namely Gemcitabine Hydrochloride, Capacitabine and Docetaxel which are yet to be granted.

At our company, success is measured in terms of customer satisfaction and quality that is built into every product. The value of commitment to quality is also cherished by each of our 261 staff members and is consciously upheld by a network of approximately 130 distributors. We have entered into a management consultancy services agreement dated June 26, 2010 with Rx Pharma India for availing their services for sales management, marketing, and logistics to market our products.

Further, we have a trading license from the Food and Drug Administration, Maharashtra for buying and selling of bulk drugs and FDFs. We propose to outsource oncology APIs and FDFs from various companies till our new facilities are commissioned at Pune.

Excellence Awards

The Company received the Best Green Business

Award at the emerging India awards presented by ICICI Bank ,CNBC TV-18 and CRISIL at Macau in November 2010.

Dr Kannan Vilshwanath received the Young Entrepreneur Award for Business excellence at the International Achievers Summit for Global Business at Singapore organized by Singapore India chamber of commerce on 24th June 2011.

The Company has Featured within "Top 100 Best Companies in India" to Work with in Study Conducted by Economic Time and Great Place to Work with 2011.

Research & Development

Your Company's research and development (R&D) activities are focused on developing new products and new non-infringing processes, as well as maintaining and improving the quality of the existing products. Research is also being carried out on risk characterization, patenting new process patents, creating a framework for ensuring regulatory compliance and for understanding the future needs of the markets. Efforts are on to launch a focused program of 'Quality by Design' to ensure and improve assurance standards in processes and products. Risk reduction such as developing technologies that have the potential to ensure valence and conform to regulatory requirements is a central part of the R&D program. Aanjaneya's strength is its research based chemistry capabilities and expertise in developing dosage forms that meet compliance standards and market needs. On an on-going basis, your Company continues to invest in high-end talents to identify new products and non-infringing processes and improve process controls. During the year under review, the R&D Centre filed 7 Patents Further, 10 more patent applications covering improved processes for various active pharmaceutical ingredients and pharmaceutical compositions are being filed .

Environment and Safety

Your Company places considerable emphasis on its commitment and responsibility towards the health and safety of its employees as well as on its environmental footprint. Considerable care is taken to not only meet the regulatory standards, but also to become best-in-class in the pharmaceutical

industry. Large investments have been made in competent and experienced supervisory human resources, state-of-the-art hardware, latest technologies, updated systems and processes and focused training of employees. Site visits were made by the supervisory teams to familiarize themselves and train to get a hands-on understanding of the international practices.

The team at Aanjaneya is upgrading the facilities to implement a comprehensive safety improvement and capacity building program.

On the environmental front, some of the initiatives taken during the year include:

- ❖ establishing environmental management infrastructure across all units
- ❖ streamlining the process of disposal of certain categories of hazardous wastes through alternate destruction and reuse technologies
- ❖ promoting and encouraging innovative emerging technologies of water treatment; and
- ❖ progressing towards achieving zero liquid discharge

We have built rain harvesting systems with Underground tanks of 6.5 lac litres and 10.5 lac litres capacity in both to units so that dependence on MIDC water is reduced.

Dividend

With a view to plough back profits in the business, directors do not recommend any dividend for the year under review and profit after tax is carried forward to next year to augment Reserves.

Capital and Finance

The paid up share capital of the company has increased from ₹.577.67 Lacs to ₹.757.67 Lacs pursuant to issue of 18 Lacs equity shares of ₹.10 each at a premium of ₹.260 per share to Kannan Vishwanath in August 2010 aggregating to ₹.4,860.00 Lacs. The sum of ₹.4,680.00 Lacs has been credited to share premium account. The Outstanding Term loans from State Bank of India, Shamrao Vithal Co-op Bank Ltd, IDBI Bank Ltd and Corporation Bank stood at ₹.4,165.30 lacs as at 31st March 2011. The working capital limit stood at ₹.8,169.65 Lacs from State Bank of India, Shamrao Vithal Co-op Bank Ltd, IDBI Bank Ltd, Corporation Bank and Allahabad Bank.



Capex

The Company is undertaking capital expenditure program at its Mahad and Pune Plants. The Capital WIP on this account stands at ₹.4,668.29 Lacs as on 31st March, 2011.

As regards assets purchased from Prophyla Biologicals Private Limited during the last fiscal ended 31st March, 2010 for ₹. 2,742.20 Lacs (net of VAT ₹. 153.62 Lacs) totalling to ₹. 2,895.82 Lacs. The Company had made part payment of ₹.992.06 lacs during the year ended 31st March, 2010. The balance payment of ₹.1903.76 lacs has been made to the vendor during the year under report.

Fixed Deposit

The Company has not accepted any Fixed deposits during the year under review.

Holding Company

The Company is a subsidiary of Aasda Lifecare Limited (formerly Finaventure Capital Limited) during the year under report. The Holding Company holds 73.25% shares of the Company as at 31st March, 2011. However effective 20th May, 2011 the Company ceased to be the subsidiary of Aasda Lifecare Limited. Name of Aasda Lifecare Limited has been again changed back to Finaventure Capital Limited. w.e.f. 7th June, 2011 as no pharmaceutical business will be undertaken by the said company.

Name Change

During the year under review, the name of the Company has been changed from **AANJANEYA BIOTECH LIMITED** to **AANJANEYA LIFECARE LIMITED** and the Registrar of Companies, Mumbai, Maharashtra issued a fresh certificate of incorporation consequent upon change of name w.e.f. June 19, 2010.

Initial Public Issue – (IPO)

The Company came out with its Initial Public Offering (IPO) of 50,00,000 Equity shares of the face value of ₹.10/- each at a price of ₹.234/- (including share premium of ₹.224/) per Equity share aggregating to ₹.11,700 Lacs constituting 39.76 % of the fully diluted post issue paid up capital of the Company which was opened for

subscription to QIB bidders, Retail individual bidders and Non-Institutional bidders from 9th May, 2011 to 12th May, 2011. The issue was fully subscribed and allotment to the respective applicants were made on 20th May, 2011 in consultation with the Authorized Representatives of the designated Stock Exchange viz - Bombay Stock Exchange Limited. The entire issued, subscribed and fully paid up share capital comprising 1,25,76,667 equity shares of ₹.10 each are listed on the National Stock Exchange of India Limited and The Bombay Stock Exchange Limited as per the in-principle approval dated 24th December, 2010 and 28th October, 2010 respectively received from the said Stock Exchanges.

Pursuant to the aforesaid IPO Finaventure Capital Limited (formerly Aasda Lifecare Limited) ceased to be the Holding Company of Aanjaneya Lifecare Limited consequent to dilution in its shareholding to 44.13% of the post issue paid up capital of the Company

Subsidiary Companies

The Company has no subsidiary company.

Directors

During the year under review, Dr. Ullooppee Badade and Mr. Balkrishna Parab retires by rotation and being eligible offer themselves for reappointment at the forthcoming Annual General Meeting.

Further, Mr. Paul Naythatil was appointed as an Additional Director of the Company and is eligible for reappointment at the forthcoming Annual General Meeting and whose period of office is liable to retirement by rotation.

Also Mr. Kalidas Patel resigned from the Directorship of the Company in the current financial year.

Change of Chief Financial Officer (CFO) & Company Secretary (CS)

Mr. Mani S. Iyer resigned from the post of CFO w.e.f. 31st May, 2011 & Mr. Lalit Shukla was appointed as 'President – Accounts & Finance' w.e.f. 1st May, 2011.

Also, Mr. Sumant Khedekar resigned from the post of Company Secretary & Compliance Officer of the Company on 6th July, 2011 and Mrs. Harleen Sahni was appointed as a Company Secretary & Compliance Officer w.e.f. 7th July, 2011.

Auditors and Auditors Report

The Company has received a requisition by a Member of the Company, to appoint a partnership firm - M/s. Agarwal, Desai & Shah, Chartered Accountants, Mumbai as the new Statutory Auditors of the Company in place of retiring Auditors viz. M/s. Sunil Mistry & Co., Chartered Accountants from the conclusion of the forthcoming Annual General Meeting till the conclusion of the next Annual General Meeting.

Auditors Report:

Auditors Report as issued by M/s. Sunil Mistry & Co., Chartered Accountants is self explanatory and do not call for further clarification by the Board.

Disclosure of Particulars

Information as per the Companies (Disclosure of Particulars on the Report of the Board of Directors) Rules, 1988 relating to Conservation of Energy, Technology Absorption, Forex Earnings & Outgo is provided in Annexure "A" forming part of this Report.

Personnel

The Company considers human resources as its greatest asset and strength in the process of development and progress. Information as per the provisions of Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules 1975 as amended is not applicable to the Company as none of the employees comes within the ambit of said Rules.

Directors Responsibility Statement

Pursuant to the requirement under section 217(2AA) of the Companies Act with respect to Directors Responsibility Statement, it is hereby confirmed.

- A. That in preparation of the accounts for the financial year ended 31st March 2011 the applicable accounting standards have been followed along with proper explanation relating to material departure.
- B. That the Directors have selected such accounting policies and adopted them consistently and made judgment and estimates that were reasonable and prudent so As to give a true and fair view of the state of affairs of the Company for the year under the review.
- C. That the Directors have taken proper and sufficient care for maintenance of adequate accounting records in accordance with the provision of the companies Act, 1956 for safeguarding the assets and for preventing, detecting fraud and other irregularities.
- D. That the Directors have prepared the accounts for the financial year ended 31st March 2011 on a going concern basis.

Acknowledgment

At the outset, your Directors would like to express their appreciation and deep sense of gratitude for the faith reposed by the Shareholders to the Company by giving a good response to the recently concluded IPO of the Company.

Your Directors further would like to express their appreciation for the assistance and co-operation received from Bankers, Govt authorities, customers, vendors during the year. Your Directors also wish to place on record their deep sense of appreciation for the committed services of Executives, Staff and workers of the Company.

We are on the verge of storming both the domestic and international markets with our innovative and specialty products and make a mark globally for the Company. We seek your active cooperation for all our future endeavors to make your Company a leading pharmaceutical Company.

Place: Mumbai
Date: 25/08/2011

For and on behalf of the Board

K. Vishwanathan - Chairman



Annexure – A to the Directors Report

Information as per the The Companies (Disclosure of Particulars on the report of the Board of Directors) Rules, 1988 relating to Conservation of Energy, Technology Absorption, Forex Earnings & Outgo.

A. Conservation of Energy:

- i) Energy conservation measures taken-
 - Monitoring closely high energy consuming equipments
 - Optimum use of compressor thru shut down during low demand period
 - Use of energy saving lighting arrangements.
- ii) Additional investment/ proposals being implemented for reduction of consumption of Energy – Exploring use of Solar AC.
- iii) Impact of measures at (I) & (ii) for reduction of energy consumption and on cost of production of goods. – Energy conserved and cost of production reduced..
- iv) Total Energy consumption and Energy consumption per unit of production as per Form A.

a) Total Fuel & oil consumed	:	40,941 Ltrs.
Expense	:	₹.18,06,614
Average rate per Ltr.	:	₹.44.13
Coal used	:	2,939.25 MT
Expense	:	₹.1,33,72,555/-
Average Rate per Kg.	:	₹.4.55/Kg
b) Total power consumed	:	9,37,087 units in kwh
Expense	:	₹.60,23,640/-
Average rate per unit	:	₹.6.43

B. Technology Absorption:-

Efforts made in technology absorption as per Form B

Research and Development:

- 1 Specific areas in which R& D carried out are in Anti-Cancer, Anti-Malarial and Niche APIs. Other Areas include process monitoring and development work to improve operating efficiencies.
- 2 The benefits derived are
 - ◆ Opening up avenues for more business in future including export potential.
 - ◆ Broadening of product range and opening new product lines for future growth of business
 - ◆ Technology upgradation
 - ◆ Generation of know-why as well as know-how
 - ◆ Winning International awards
 - ◆ Saving of Forex and development of ability to compete Globally
- 3 Future Plan of Action_
 - ◆ Development of New products and Process
 - ◆ Creation of Intellectual Property and leveraging to increase the value of business
 - ◆ Upgradation and new variants of existing products

Technology Absorption, Adaptation and Innovation:

- 1 Efforts in brief made towards technology, absorption, adoption and innovation
 - ◆ Using state of the art equipment, instrumentation and software

- ◆ Deputation of Personnel for Training
- ◆ Participation in symposium and exhibitions
- ◆ Review of technical literature and patents in relevant technology areas
- ◆ Analysing feed back from users to improve process and services
- ◆ Use of alternate materials

2 Benefits derived are-

- ◆ Product quality performance in view of new business opportunities
- ◆ Expansion of product range and export opportunity
- ◆ Product improvement
- ◆ Cost reduction and reduced delivery time
- ◆ Exposure to international developments and opportunity to show case products developed
- ◆ Improvement in job knowledge and capability development for global acceptance

3 Information regarding Technology imported- Nil.

C. Forex

Activities relating to exports

The company endeavors to have a diversified range of products and there is a dedicated cell for giving impetus to exports. The company regularly participates in prestigious international exhibitions and conducts market surveys. Company has agents in various countries to boost exports. Company is intensifying efforts in selected countries and exploring new markets.

Foreign exchange Earnings & Outgo:

Earning* : ₹. 1,162.53 Lacs

Expenditure* : ₹. 1,183.46 Lacs

* Earnings in respect of Exports & Expenditure in respect of Raw material, Capital Goods, Travel , Foreign Exhibition, Product development, Research and Development, Licence/Registration Fees and Lodging & Boarding Charges.





Auditors Report

To The Members of

AANJANEYA LIFECARE LIMITED
(formerly known as AANJANEYA BIOTECH LIMITED)

1. We have audited the attached Balance Sheet of AANJANEYA LIFECARE LIMITED (Formerly known as Aanjaneya Biotech Limited) (together 'the Company') as at 31st March, 2011 and also the Profit & Loss Account of the Company and the 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.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003, as amended by the Companies (Auditor's Report) (Amendment) Order 2004 (together the "Order") issued by the Central Government of India in terms of Section 227 (4A) of Companies Act, 1956, we enclose in the annexure a statement on the matters specified in paragraph 4 & 5 of the Order.
4. Further to our comments in the Annexure referred to in paragraph (3) above, we report that:
 - a. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b. In our opinion, proper books of accounts as required by Law have been kept by the Company so far as appears from our examination of the books;
 - c. The Balance Sheet, Profit and Loss account and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - d. In our opinion, the Balance Sheet, Profit and Loss account and Cash Flow statements 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 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. In our opinion and to the best of our information and according to the explanations given to us, the accounts read together with the notes give the information required by the Companies Act, 1956, in the manner so required and gives 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 profit of the Company for the year ended on that date; and
 - (iii) in case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For **SUNIL MISTRY & CO.**
Chartered Accountants
Firm Regn No. 123435W

SUNIL P. MISTRY
Proprietor
M. No. 113813
Place: Mumbai
Date: 15th July 2011

Annexure to the Auditors Report

AANJANEYA LIFECARE LIMITED

(formerly known as AANJANEYA BIOTECH LIMITED)

Referred to in paragraph 3 of our report of even date for the financial year ended 31st March 2011.

- 1 (a) The Company has maintained proper records showing full particulars including quantitative details and Situation of fixed assets.
(b) As explained to us the physical verification of fixed assets were carried out during the year by the management at regular intervals and such verification revealed no material discrepancies. In our opinion the verification is reasonable having regard to the size of the company and the nature of its assets.
(c) The Company has not disposed off substantial part of fixed assets during the year.
- 2 (a) The inventory of raw material, finished/semi finished and other traded materials have been physically verified by management at reasonable interval during the year.
(b) In our opinion and according to the information and explanation given to us, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the company & the nature of its business.
(c) The Company has been maintaining proper records of inventory and no discrepancies were noticed on verification between the physical stocks and book records.
- 3 (a) The Company has not granted any loans, secured or unsecured , to companies, firms or other parties covered in the register maintained under section 301 of the Act .
(b) The Company has not taken any secured loans from parties covered in the register maintained under section 301 of the Act .The Company has taken unsecured loans from Two Parties covered in the register maintained under section 301 of the Act. The maximum amounts involved during the year and the year end balance of such loans aggregates to ₹ 1,362.31 lacs and ₹ 513.42 lac respectively.
(c) In our opinion and according to the Information and explanations given to us, there is no interest to be paid on the unsecured loans as they are interest free in nature and other terms and conditions of the loans taken are not prima facie prejudicial to the interest of the company.
(d) In respect of unsecured loans taken by the company, as informed to us no interest has been provided as the loans are interest free and repayable on demand. Hence there is no payment of principal and interest at regular intervals.
(e) There is no overdue amount in respect of loans taken by the company.
- 4 In our opinion and according to information & explanations given to us, there are adequate internal control system commensurate with the size of the company and the nature of its business with regards to purchase of inventory ,fixed assets and with regard to sale of goods and services. Further on the basis of our examination of the books and records of the company and according to the information and explanations given to us we have not observed any continuing failure to correct major weaknesses in the aforesaid internal control system.
- 5 In respect of transactions covered under section 301 of the Companies Act, 1956.
(a) In our opinion and according to the information and explanations given to us, the transaction made in pursuance of contracts or arrangements, that needed to be entered into the register maintained u/s. 301 of the Companies Act 1956 have been so entered.
(b) In our opinion and according to the information and explanations given to us, these transaction made in pursuance of such contracts or arrangements and exceeding the value of ₹. Five lacs in respect of any party during the year have been made at prices which are reasonable having regard to the prevailing market prices at relevant time.
- 6 The Company has not accepted any deposits from public during the year, hence provision of section 58-A & 58-AA of the Companies Act, 1956 are not applicable
- 7 The Company has an Internal Audit Systems Commensurate with the size and the nature of its business
- 8 The Central Government has not prescribed maintenance of cost record under section 209 (1) (d) of Companies Act, 1956.



- 9 (a) According to information and explanations given to us, the company is generally regular in depositing undisputed statutory dues including Provident Fund, Income Tax, Wealth Tax, Sales Tax, Service Tax, Custom Duty, Excise Duty and other statutory dues with the appropriate authorities during the year. Further, since the Central Government has till date not prescribed the amount of cess payable under section 441A of the Companies Act, 1956, we are not in a position to comment upon the regularity or otherwise of the company in depositing the same
- (b) As per the information and explanations given to us, no undisputed statutory dues were in arrears, as at 31/03/2011 for a period of more than 6 months from the date they became payable
- (c) According to information and explanations given to us, there are no statutory dues which have not been deposited on account of any dispute
- 10 This is the fifth year of the Companies existence and the company has no accumulated losses as at 31st March 2011. Further the company has not incurred any cash losses during the financial year covered by our audit and the immediately preceding financial year.
- 11 According to information and explanations given to us and as per verification of the record of the Company, the Company has not defaulted in repayments of dues to the bank.
- 12 The company has not granted any Loans and Advances on the basis of any security by way of pledge of shares, debentures and other securities.
- 13 In our opinion, the Company is not a chit fund or Nidhi / Mutual benefit fund /society.
- 14 In our opinion and based on the verification of the documents of the company, the Company is not dealing in or trading in shares, securities, debenture & other investments.
- 15 In our opinion and as per information & explanation furnished to us, the company has not given any guarantee for loans taken by others from banks or financial institutions during the year.
- 16 According to information and explanation given to us, term loans taken from banks were applied for the purpose for which such loans were obtained during the year.
- 17 According to the information and explanations given to us and on an overall examination of the Balance Sheet of the company, we report that the funds raised on short-term basis that have not been used for long-term investment.
- 18 During the year, the company has made a preferential allotment of 18,00,000 equity shares of ₹.10/- each at a premium of ₹.260/- per share to party covered in the register maintained under section 301 of the companies Act, 1956 on the terms which are not prejudicial to the interest of company.
- 19 The company has not issued debentures since inception.
- 20 The company has not raised any money by way of public issue during the year.
- 21 According to the information & explanation given to us and based on our verification of the documents of the Company, no fraud on or by the company has been noticed or reported during the course of our audit.

For SUNIL MISTRY & CO.
Chartered Accountants
Firm Regn No. 123435W

SUNIL P. MISTRY
Proprietor
M. No. 113813

Place: Mumbai
Date: 15th July 2011



Profit & Loss Account for the year ended 31st March, 2011.

(Amount in ₹)

PARTICULARS	2010-11		2009-10
	Schedule	Rs.	Rs.
I INCOME			
Sales	L	3,202,598,365	1,616,715,092
Other Income	M	1,947,943	5,263,246
Total Income		3,204,546,309	1,621,978,338
II EXPENDITURE			
(Increase) / Decrease in Stock of Finished Goods & WIP	N	(143,343,558)	(71,588,255)
Material Cost	O	2,470,322,866	1,301,792,462
Manufacturing Expenses	P	54,454,174	39,928,348
Personnel Cost	Q	46,255,794	23,387,331
Administration Expenses	R	50,758,685	18,877,159
Selling Expenses	S	17,673,375	11,618,172
Total Expenses		2,496,121,337	1,324,015,217
EBITDA		708,424,972	297,963,121
Depreciation	E	25,835,822	8,787,620
EBIT		682,589,150	289,175,501
Finance Charges	T	136,103,917	60,365,496
Profit / (Loss) before Tax		546,485,233	228,810,005
Prior Period Expenses		607,323	260,455
Less : Provision for Tax			
---- Current Tax		159,432,758	64,388,002
---- Deferred Tax		26,317,573	13,384,519
Profit / (Loss) Carried Over		360,127,579	150,777,029
Basic & Diluted Earnings Per Share (face value of Rs. 10/- each)		52.00	30.34

As Per Our Report Of Even Date
For SUNIL MISTRY & CO.
Chartered Accountants
Firm Regn No. 123435W

For AANJANEYA LIFECARE LTD.

SD/-

Sunil P Mistry
Proprietor
M. No. 113813

Place : Mumbai
Date :- 15th July,2011.

SD/-

Director
K.Vishwanathan

SD/-

Director
Kannan Vishwanath

Harleen Sahni
Company Secretary

Balance Sheet as at 31st March ,2011.

(Amount in ₹)

	Schedule	31-Mar-11	31-Mar-10
SOURCE OF FUNDS			
I SHARE HOLDERS' FUNDS			
Share Capital	A	75,766,670	57,766,670
Reserve & Surplus	B	1,268,094,439	439,966,860
		1,343,861,109	497,733,530
II LOAN FUNDS			
Secured Loans	C	1,233,494,752	495,941,582
Unsecured Loans	D	154,956,619	100,989,119
		1,388,451,371	596,930,701
III DEFERRED TAX LIABILITY			
		49,819,353	23,501,780
TOTAL (I + II +III) ...		2,782,131,833	1,118,166,011
APPLICATION OF FUNDS			
IV FIXED ASSETS			
Gross Block	E	745,532,774	485,495,620
Less : Depreciation		42,063,685	16,227,863
Net Block		703,469,089	469,267,757
Capital Work in Progress		466,828,707	42,025,369
		1,170,297,796	511,293,126
V INVESTMENTS			
	F	501,875	501,875
VI CURRENT ASSETS, LOANS & ADVANCES			
Inventory	G	823,730,252	360,428,354
Sundry Debtors	H	904,591,006	432,986,033
Cash & Bank Balance	I	6,661,852	7,529,178
Deposits & Advances	J	43,047,008	34,887,287
		1,778,030,118	835,830,852
Less : Current Liabilities and Provisions	K	166,697,956	229,459,842
NET CURRENT ASSETS		1,611,332,162	606,371,010
TOTAL (IV + V +VI) ...		2,782,131,833	1,118,166,011
Notes on Accounts	U		

As Per Our Report Of Even Date
For SUNIL MISTRY & CO.
Chartered Accountants
Firm Regn No. 123435W

For AANJANEYA LIFECARE LTD.

SD/-

SD/-

SD/-

Sunil P Mistry
Proprietor
M. No. 113813

Place : Mumbai
Date :- 15th July,2011.

Director
K.Vishwanathan

Director
Kannan Vishwanath

Harleen Sahni
Company Secretary

Schedule Forming Part of Balance Sheet as at 31st March, 2011

(Amount in ₹)

	Schedule	31-Mar-11	31-Mar-10
SHARE CAPITAL : Authorised Capital : 2,00,00,000 (LY 2,00,00,000) Equity Shares of Rs.10/- each Issued,Subscribed & Paid - up Capital : 75,76,667 (LY 57,76,667) Equity Shares of Rs 10 /- each fully paid.	A	200,000,000	200,000,000
		75,766,670	57,766,670
		75,766,670	57,766,670
RESERVES & SURPLUS : Opening Balance Profit & Loss Add : Surplus for the Current Year Sub-Total Profit & Loss Share Premium Total Reserves & Surplus ...	B	225,033,440	74,256,411
		360,127,579	150,777,029
		585,161,019	225,033,440
		682,933,420	214,933,420
		1,268,094,439	439,966,860
SECURED LOANS : Term loan from banks Interest accrued but not due on Term Loan Car loan from bank (All Secured against first charge on immovable assets and second charge on movable assets of the company) Sub-Total Term loan Working capital loan from banks (All Secured against first charge on the current assets) Sub-Total Working capital loan Total Secured Loans ...	C	413,625,353	97,477,936
		2,904,182	1,068,249
		-	273,418
		416,529,535	98,819,603
		816,965,217	397,121,979
		816,965,217	397,121,979
		1,233,494,752	495,941,582
UNSECURED LOANS : Loans & Trade Advances Recd : Loans from directors / shareholders Loans & Advances from company /others Total UnSecured Loans	D	51,341,619	20,989,119
		103,615,000	80,000,000
		154,956,619	100,989,119
DEFERRED TAX LIABILITY : On Account of Depreciation		49,819,353	23,501,780
INVESTMENTS : Unquoted : 20,000 Shares Of Shamrao Vithal Co-Op bank Ltd @ Rs 25 per share fully paid up valued at cost Total	F	501,875	501,875
		501,875	501,875



Schedule Forming Part of Balance Sheet as at 31st March, 2011

(Amount in ₹)

	Schedule	31-Mar-11	31-Mar-10
INVENTORIES : (As taken, valued & certified by the Directors)	G		
Raw Materials		593,099,748	273,409,725
Packing Materials		567,629	299,312
Work in Progress		131,657,735	69,779,312
Finished Goods -Mfg		98,371,199	15,326,465
Trading		33,941	1,613,540
Total		823,730,252	360,428,354
SUNDRY DEBTORS : (Unsecured, considered good)	H		
Over 6 Months		146,811,554	56,789,693
Others		757,779,452	376,196,340
Total		904,591,006	432,986,033
CASH AND BANK BALANCES :	I		
Cash in hand		744,320	1,969,005
BALANCES WITH SCHEDULED BANK :			
In Current Account		608929	621,825
In Deposit Account :			
Margin Money (against FDR)		112,894	104,809
Margin Money Deposit		5,195,709	4,833,540
Total		6,661,852	7,529,178
LOANS, ADVANCES. & DEPOSITS. : (Unsecured Considered Good)	J		
Deposits		3,798,480	3,302,480
Loan/Advance to Companies		-	43,752
Loan/Advance to Staff		24,413	41,511
Balance with Revenue Authorities		38,135,976	30,976,713
Prepaid Expenses		1,088,139	522,831
Total		43,047,008	34,887,287
CURRENT LIABILITIES. & PROVISION :	K		
A. CURRENT LIABILITIES :			
Creditors		(60,308,104)	156,049,450
Other Liabilities		21,443,257	8,287,556
Sub-Total Current Liabilities		(38,864,847)	164,337,006
B. PROVISIONS :			
For Income Tax		204,365,594	64,932,836
For FBT		190,000	190,000
For Gratuity		1,007,209	-
Sub-Total Provisions		205,562,803	65,122,836
Total ...		166,697,956	229,459,842

Schedule Forming Part of Profit & Loss Account for the year ended 31-03-2011

(Amount in ₹)

	Schedule	2010-11	2009-10
SALES :	L		
Manufacturing Sales -APIs (Bulk Drugs)		1,885,979,718	1,600,856,893
Manufacturing Sales -Formulations		1,309,665,495	-
Trading Sales		6,953,153	15,858,200
Grand Total Sales		3,202,598,365	1,616,715,092
OTHER INCOME :	M		
Dividend Received		60,000	75,000
Duty Drawback		27,384	24,817
Exchange Rate Difference		-	4,683,816
Interest Received		636,827	388,671
Others		1,223,732	90,942
Total		1,947,943	5,263,246
INCREASE / (DECREASE) IN STOCKS :	N		
Closing Stock :			
Finished Goods -Mfg		98,371,199	15,326,465
Work in Progress		131,657,735	69,779,312
Trading		33,941	1,613,540
Closing Stock - Total		230,062,875	86,719,317
Opening Stock :			
Finished Goods -Mfg		15,326,465	8,887,760
Work in Progress		69,779,312	5,532,302
Trading		1,613,540	711,000
Opening Stock -Total	86,719,317	15,131,062	
Increase / (Decrease) in Stock of FG & WIP		143,343,558	71,588,255
COST OF MATERIAL CONSUMED :	O		
Opening Stock of R.M.and Pkg. Material		273,709,037	138,249,719
Add :- Purchases		2,778,722,717	1,423,846,990
Opening Stock + Net Purchases		3,052,431,754	1,562,096,709
Less :Closing Stock of R.M.and Pkg. Materials		593,667,377	273,709,037
Raw Material Consumed in Mfg		2,458,764,377	1,288,387,672
Purchases -Trading		11,558,489	13,404,790
Total Consumption of Materials		2,470,322,866	1,301,792,462
MANUFACTURING EXPENSES :	P		
Coal,Fuel & Oil		15,179,169	10,716,537
Consumable		1,911,169	854,847
Electricity Expenses		6,023,640	4,549,355
Factory Expenses		2,597,786	1,135,089
Freight, Transport, Coolie and Cartage		3,962,660	2,940,015
Import Clearing & Forwarding Expenses		3,746,149	4,147,252
Labour & Hamali Expenses		9,895,953	7,320,114
Loading & Unloading Expenses		264,459	202,759
M.P.C.B. Expenses		39,915	11,560
Packing & Forwarding Expenses		47,307	55,784
Product Development Expenses		768,404	14,164
Repairs & Maintenance Expenses - Factory & Plant		6,637,230	1,317,625
Research & Development Expenses		742,039	4,910,783
Security Expenses		1,381,314	426,628
Stores,Spares & Hardware	488,839	916,760	
Water Expenses	768,142	409,076	
Total		54,454,174	39,928,348



Schedule Forming Part of Profit & Loss Account for the year ended 31-03-2011

(Amount in ₹)

	Schedule	2010-11	2009-10
PERSONNEL COST :	Q		
Insurance Expenses		227,933	142,679
Employers Contribution & Administration Expenses to PF		1,041,617	415,396
Gratuity Provision		411,886	-
Leave Encashment		63,787	-
Maharashtra Labour Welfare Fund		-	1,518
Salaries,Wages & Bonus		43,109,534	21,991,825
Staff Welfare Expenses		1,401,037	835,913
Total		46,255,794	23,387,331
ADMINISTRATION EXPENSES :	R		
Audit Fees		150,000	110,000
Books & Periodicals		219,481	60,422
Commission & Brokerage Expenses		3,703,108	825,990
Computer Expenses		452,193	228,720
Conference & Meeting		48,921	-
Conveyance Expenses		189,214	85,302
Courier Expenses		443,005	394,237
Donations		6,544,253	5,009,002
Electricity Expenses		457,020	373,640
Exchange Rate Difference		3,250,090	-
Insurance Expenses		1,801,466	1,346,936
Licence Fees		2,539,425	200,654
Membership & Subscription Fees		272,721	102,772
Miscellaneous Expenses		224,229	321,198
Office Expenses		935,249	252,036
Printing & Stationary Expenses		1,939,552	1,196,763
Professional Fees / Charges		17,673,939	2,626,392
Rates & Taxes		272,118	80,522
Rent		1,145,100	45,000
ROC Expenses and Franking Charges		4,404,830	2,657,929
Security Expenses		312,404	171,839
Software Expenses		24,466	51,532
Tax Expenses		82,287	197,415
Telecommunication & Internet		1,626,430	1,546,914
Vehicle Expenses & Repairs		1,223,090	787,940
Vehicle Hire Expenses		706,541	111,394
Website Development Expenses		117,554	92,609
Total		50,758,685	18,877,159
SELLING EXPENSES :	S		
Advertisement Expenses		2,717,317	892,395
Bank Charges-International trade		417,008	297,227
Business Promotion & Marketing Expenses		572,909	381,226
Exhibition Expenses		5,448,960	2,261,433
Export Clearing & Forwarding Expenses		2,171,804	2,533,536
Travelling,Boarding & Lodging Expenses		6,345,378	5,252,356
Total		17,673,375	11,618,172
FINANCE CHARGES :	T		
Interest - on Term Loan & Cash Credit		111,505,945	58,591,992
Interest - Others		13,962,197	1,208,019
Processing & Other Charges		10,635,775	2,565,485
Total		136,103,917	60,365,496

Depreciation Schedule as per Schedule XIV of Companies Act, 1956
Schedule - "E " of Fixed Assets

SR. NO.	ASSETS	GROSS BLOCK		Dep. Rate %	DEPRECIATION AS PER SLM			NET BLOCK	
		As at 01.04.2010	As at 31.03.2011		Up To 01.04.2010	For the Year	Up To 31.03.2011	As at 31.03.2011	As at 31.03.2010
1	LAND	5,542,310	-	0.00%	-	-	-	5,542,310	5,542,310
2	FACTORY BUILDING	196,601,089	89,298,040	3.34%	4,831,091	8,078,425	12,909,516	272,989,613	191,769,998
3	PLANT & MACHINERY	228,371,012	155,796,852	4.75%	8,676,635	14,406,725	23,083,360	361,084,504	219,694,377
4	LAB EQUIPMENTS	17,512,937	5,873,355	4.75%	524,741	944,556	1,469,297	21,916,995	16,988,196
5	AIR CONDITINERS	23,054,901	-	4.75%	831,377	1,055,617	1,886,994	21,167,906	22,223,523
6	Furniture & Fixtures	7,439,717	5,735,679	6.33%	792,188	537,078	1,329,266	11,846,131	6,647,529
7	Computers	1,866,390	1,411,444	16.21%	256,425	363,800	620,225	2,657,609	1,609,965
8	Office Equipment	2,685,604	1,639,709	6.33%	160,506	208,743	369,249	3,956,064	2,525,098
9	MOTOR CAR	2,296,103	-	9.50%	134,051	205,395	339,446	1,956,657	2,162,052
10	Software	125,557	282,075	16.21%	20,848	35,483	56,331	351,301	104,709
	Sub-Total	485,495,620	260,037,154		16,227,863	25,835,822	42,063,685	703,469,089	469,267,757
	Capital WIP	42,025,369	466,828,707		-	-	-	466,828,707	42,025,369
	Grand Total	527,520,989	726,865,861		16,227,863	25,835,822	42,063,685	1,170,297,796	511,293,126

Cash Flow Statement for the year ended 31st March, 2011

(Amount in ₹)

PARTICULARS	2010-11		2009-10
	Rs.	Rs.	Rs.
A. CASH FLOW FROM OPERATING ACTIVITIES			
Net profit before Tax as per P & L A/c		545,877,910	228,549,550
Adjusted for:-			
Depreciation		25,835,822	8,787,620
Misc. Expenses W/off		-	-
Loss on Sale of Fixed assets		-	-
Diminution in value of Investments		-	-
Finance Charges		136,103,917	60,365,496
Less:- (Profit on sale of Investments)		-	-
Less: (Interest Income)		(636,827)	(388,671)
Less: (Dividend Income)		(60,000)	(75,000)
Operating Profit before Working capital changes		707,120,821	297,238,995
Adjusted for :-			
(Increase)/Decrease in Trade Receivables & Advances	(479,764,694)		(154,051,118)
(Increase)/Decrease in Inventories	(463,301,898)		(207,047,573)
Increase/(Decrease) in Current liabilities.	(202,194,644)	(1,145,261,236)	92,998,121
Cash (used in) / Generated from Operations		(438,140,414)	29,138,425
Taxes Paid		(20,000,000)	(23,715,731)
Net Cash (used in) /From Operating Activities		(458,140,414)	5,422,695
B. CASH FLOW FROM INVESTING ACTIVITIES			
(Increase) /Decrease in Fixed Assets		(684,840,492)	(388,034,948)
(Increase)/Decrease in Investments		-	(1,875)
Interest Income Recd		636,827	388,671
Dividend Income Recd		60,000	75,000
(Increase) / Decrease in Misc. exps		-	-
Net Cash (used in) /From Investing Activities		(684,143,665)	(387,573,152)
C. CASH FLOW FROM FINANCING ACTIVITIES			
Increase in Share Capital		18,000,000	8,266,670
Increase in Share Premium		468,000,000	214,933,420
Increase/(Decrease) in Term Loan		317,709,932	30,548,396
Increase/(Decrease) in Bank Borrowing		419,843,238	150,203,303
Increase/(Decrease) in Directors Loan		53,967,500	38,838,065
Finance charges paid		(136,103,917)	(60,365,496)
Dividend paid (incl distribution tax)			
Net Cash (used in) /From Financing Activities		1,141,416,754	382,424,358
Net Increase /(Decrease) in Cash & Cash equivalents	A+B+C	(867,326)	273,901
Opening Balance of Cash & Cash Equivalents		7,529,178	7,255,277
Closing Balance of Cash & cash Equivalents		6,661,852	7,529,178

Note: The cash flow statement has been prepared under the indirect method as per AS 3.

As Per Our Report Of Even Date
For SUNIL MISTRY & CO.
Chartered Accountants
Firm Regn No. 123435W

For AANJANEYA LIFECARE LTD.

SD/-

SD/-

SD/-

Sunil P Mistry
Proprietor
M. No. 113813

Place : Mumbai
Date :- 15th July, 2011.

Director
K.Vishwanathan

Director
Kannan Vishwanath

Harleen Sahni
Company Secretary

AANJANEYA LIFECARE LIMITED

(formerly known as AANJANEYA BIOTECH LIMITED)

Schedule forming part of the Balance Sheet as at 31st March 2011 and Profit & Loss Account for the year ended on that date.

Schedule u: significant accounting policies & notes on accounts

1 Significant Accounting Policies:

a. Basis of Accounting:-

The Financial Statements of the Company are prepared under historical cost convention and on accrual basis and in accordance with the Accounting Standards notified by the Companies (Accounting Standards) Rules, 2006 and the relevant provisions of the Companies Act 1956. Accounting policies, not specifically referred to hereunder is otherwise consistent with generally accepted accounting polices ["GAAP"].

b. Fixed Assets:-

Fixed Assets are stated at cost of acquisition inclusive of non refundable duties and taxes, freight and incidental expenses, if any. Advances paid towards acquisition/construction of fixed assets outstanding at each balance sheet date and cost of fixed assets not ready for their intended use before such date are disclosed under capital work in progress.

c. Depreciation:-

Depreciation on Fixed Assets is provided on Straight Line Method at the rates specified in schedule XIV of the Companies Act, 1956. Depreciation on additions made to fixed assets during the year is provided on pro-rata basis.

d. Valuation of Inventories:-

1. Raw Materials are valued at cost or net, realizable value whichever is lower. Cost is determined by using the First In First out (FIFO) method.

2. Semi Finished Goods (Work in progress) are valued at cost.

3. Finished Goods:

Manufactured goods are valued at cost or net realisable value whichever is lower. Cost is determined by using the First In First out (FIFO) method. Cost includes cost of raw materials used and all the related overhead expenses. Traded Goods are valued at cost or net realisable value whichever is lower. Cost is determined by using the First in First out (FIFO) method.

e. Revenue Recognition:-

The Company follows the mercantile system of accounting and hence Revenue is recognized by the company on accrual basis.

f. Pre-Operative Expenditure:-

Pre-Operative expenses of the Company have been fully written off in the year of commencement of commercial operations. The Company was incorporated on 3rd January, 2006 and commenced Commercial operations on 25th September, 2007.

g. Accounting for Foreign Exchange Transaction:-

In accordance with Companies (Accounting Standards) Rules, 2006 the transaction in foreign exchange are accounted for at the exchange rates prevailing at the date of the transaction. In respect of the Assets and Liabilities remaining unsettled at the Balance sheet date are translated at the closing rate. Exchange differences that arise on settlement of monetary items or on reporting at each balance sheet date are recognized as income or expense in the period in which they arise.

Where the company uses derivative financial instruments such as forward contracts to hedge its risk associated against foreign currency fluctuations, the Gain or loss on restatement of such contracts outstanding at the balance sheet date are recognized in the profit and loss account for the year in which it occurs. The premium or discount arising at the inception of forward



contracts is amortized through the profit and loss account over the period of the contract .

h. Taxation:-

Tax expenses is the aggregate of current tax and deferred tax charged, as the case may be to the Profit and Loss Account for the year in accordance with Companies (Accounting Standards) Rules, 2006 and measured at the tax rate that have been enacted or substantively enacted by the Balance Sheet date.

1. Current Tax

Tax on income for the current period is determined on the basis of assessable income computed in accordance with the provisions of the Income Tax Act, 1961.

2. Deferred Tax

Deferred income taxes are recognized for the future tax consequences attributable to timing difference between the financial statements and determination of income for their recognition for tax purposes. The effect on deferred tax liabilities of a change in tax rates is recognized in income using the rates and tax laws that have been enacted or substantively enacted as on the Balance Sheet date. Deferred tax assets are recognized and carried forward to the extent there is reasonable certainty that sufficient future taxable income will be available against which deferred tax assets can be realized.

i. Contingent Liability:-

Contingent liabilities, if any, are disclosed in the Notes to Accounts. Provisions have been made in the accounts in respect of those contingencies which are likely to materialize into liabilities after the year end till the finalization of accounts and have a material effect on the position stated in the Balance Sheet.

j. Borrowing Cost:-

Borrowing costs that are attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of cost of such asset till such time as the asset is ready for its intended use. All other borrowing costs are expensed in the period in which they are incurred.

2. Notes on Accounts:

2.1 Fixed assets / Capital Work- in- progress:-

The company is undertaking capital expenditure program at its Mahad and Pune Plants. The Capital WIP on this account stands at ₹.4,668.29 Lacs as on 31st March 2011. As regards assets purchased from Prophyla Biologicals Private Limited during the last fiscal ended 31st March 2010 for ₹. 2,742.20 Lacs (net of VAT ₹. 153.62 Lacs) totaling to ₹. 2,895.82 Lacs. The company had made part payment of ₹.992.06 lacs during the year ended March 31, 2010. The balance payment of ₹.1903.76 lacs has been made to the vendor during the period under report.

2.2 Investments:-

Long Term Investments are stated at cost less provision, if any, for diminution which is other than temporary in nature. Current investments are valued at lower of cost and net realizable value.

2.3 Holding Company:-

The Company is a subsidiary of Aasda Lifecare Limited (formerly Finaventure Capital Limited) during the year under report. The holding company holds 73.25% shares of the company as at 31st March, 2011. However effective 20th May 2011 the company ceases to be the subsidiary of Aasda Lifecare Limited. Please refer clause 2.15 (b) below under " Event occurring after balance sheet date". Name of Aasda Lifecare Limited has been changed to Finaventure Capital Limited w.e.f 7th June 2011.

2.4 Research & Development:-

The costs are expensed when incurred. Capital expenditure when incurred for acquisition or construction of equipment and facilities for R&D and having alternate future uses will be capitalized under Plants and Machinery.

2.5 Share Capital:-

The paid up share capital of the company has increased from ₹.577.67 Lacs to ₹.757.67 Lacs pursuant to issue of 18.00 Lacs equity shares of ₹.10 each at a premium of ₹.260 per share to Kannan Vishwanath in August 2010 aggregating to ₹.4,860.00 Lacs. The sum of ₹.4,680.00 Lacs has been credited to share premium account.

2.6 No commission on profits is paid at any time during the year to any of the directors of the Company.

2.7 Derivative Instruments:-

Company has not entered into any Forex Derivative Contracts at any time during the year. During the year ended 31st March 2011 foreign currency exposures that have not been hedged by a derivative instrument or otherwise are given below:

- a) Amount receivable in foreign currency on account of export of goods- USD 2.06 Lacs (Previous Year USD 3.12 Lacs) INR 91.47 Lacs (Previous Year INR 140.89 Lacs) & GBP 0.10 Lacs INR 7.12 Lacs.
- b) Amount paid in foreign currency on account of import of goods-USD 1.11 Lacs (Previous Year USD NIL) INR 49.69 Lacs (Previous Year INR NIL)
- c) Amount payable in foreign currency on account of import of goods- EURO 0.01 Lacs (Previous Year EURO NIL) INR 0.59 Lacs (Previous Year INR NIL) & USD NIL (Previous Year USD 5.43 Lacs) INR NIL (Previous Year INR 244.96 Lacs)

2.8 Auditor's Remuneration:-

	2010-11	2009-10
	₹. Lacs	₹. Lacs
Audit Fees – Cos Act & Income Tax Audit	1.00	0.70
VAT Audit	0.50	0.40

2.9 Cenvat:-

No cenvat credit is availed in respect of finished goods manufactured and sold by the company which are exempt or free of Central Excise. Consequently duty paid on these inputs is expensed during the year. Where finished goods manufactured and sold by the company are excisable, cenvat credit is availed on inputs used in the manufacture of such excisable goods.

2.10 Related Party Disclosures:-

Name of the Key Managerial Personnel	Relationship
Kashi Vishwanathan	Chairman
Kannan K. Vishwanath	Vice Chairman & Managing Director
Relatives of the Key Managerial Personnel	Relationship
Divya K. Vishwanath	Wife of Kannan K. Vishwanath
Companies / Firms in which the Key Managerial Personnel & their relatives are interested	
Aasda Life Care Limited	Holding Company
Finaventure Advisory Services (I) Private Limited*	

*Substantial shareholder till July 2009

The Company has entered into the following related party transactions. As on March 31, 2011 such parties and transactions are identified as per Accounting Standard 18 issued by the 'The Institute of Chartered Accountants of India.'



Name of Related Party	Nature of transaction	₹ Lacs	₹ Lacs
		2010-11	2009-10
Kashi Vishwanathan	Loan from Director	250.00	-
	Repayment of Loans	55.00	7.00
	Remuneration to Director	36.00	36.00
Kannan K. Vishwanath	Loan from Director	1,112.31	931.83
	Repayment of Loans	979.63	237.45
	Conversion of Loan to Equity	-	612.00
	Equity Shares allotted	4860.00	-
	Remuneration to Director	36.00	36.00
	Rent for Premises	9.93	-
Aasda Life Care Limited	Loan from Holding Company	-	1633.00
	Repayment of Loans	13.00	-
	Conversion of Loan to Equity	-	1620.00
Divya Vishwanath	Remuneration to Director	-	3.08
	Remuneration as an Employee	6.12	2.04

Amount due to / from Related Parties	(₹.Lacs)	(₹. Lacs)
Nature of Transactions	2010-11	2009-10
Mr. Kashi Vishwanathan		
Loan taken from Director	250.10	55.10
Mr. Kannan K. Vishwanath		
Loan taken from Director	263.32	130.64
Rent payable	9.93	Nil
Finaventure Advisory Services (I) Private Limited		
Loan taken from Shareholders	11.15	11.15
Aasda Life Care Limited		
Loan taken from Holding Company	Nil	13.00

2.11 Disclosures pursuant to Accounting Standard – 15 "Employee Benefits":-

Defined Contribution Plan

The company has made payments to the Government Provident Fund amounting to ₹.10.42 Lacs and the same is expensed during the year ended as at 31st March, 2011.

Defined Benefit Plan

The following disclosures are made in accordance with AS 15 (Revised) pertaining to defined benefit plans regarding Gratuity.

TABLE 1

AMOUNT TO BE RECOGNIZED IN BALANCE SHEET

₹ Lacs

	Period Ended	
	2010-11	2009-10
Present Value of Funded Obligations	0	0
Fair Value of Plan Assets	0	0
Present Value of Unfunded Obligations	10.07	5.95
Unrecognized Past Service Cost	0	0
Amount not Recognized as an Asset (limit in Para 59(b))	0	0
Net Liability	10.07	5.95
<u>Amounts in Balance Sheet</u>		
Liability	10.07	5.95
Assets	0	0
Net Liability	10.07	5.95

TABLE 2

EXPENSE TO BE RECOGNIZED IN STATEMENT OF PROFIT & LOSS ACCOUNT

₹ Lacs

	Period Ended	
	2010-11	2009-10
Current Service Cost	2.77	2.50
Interest on Defined Benefit Obligation	0.70	0.43
Expected Return on Plan Assets	0	0
Net Actuarial Losses / (Gains) Recognized in Year	0.65	(0.60)
Past Service Cost	0	0
Losses / (Gains) on "Curtailements & Settlements"	0	0
Losses / (Gains) on "Acquisition / Divestiture"	0	0
Effect of the limit in Para 59(b)	0	0
Total, Included in "Employee Benefit Expense"	4.12	2.33
Actual Return on Plan Assets	0	0

TABLE 3

RECONCILIATION OF BENEFIT OBLIGATION & PLAN ASSETS FOR THE PERIOD

₹ Lacs

	Period Ended	
	2010-11	2009-10
Change in Defined Benefit Obligation		
Opening Defined Benefit Obligation	5.95	3.62
Current Service Cost	2.77	2.50
Interest Cost	0.70	0.43
Actuarial Losses / (Gain)	0.65	(0.60)
Past Service Cost	0	0
Actuarial Losses / (Gain) due to Curtailment	0	0
Liabilities Extinguished on Settlements	0	0
Liabilities Assumed on Acquisition / (Settled on Divestiture)	0	0
Exchange Difference on Foreign Plans	0	0
Benefits Paid	0	0
Closing Defined Benefit Obligation	10.07	5.95
Change in Fair Value of Assets		
Opening Fair Value of Plan Assets	0	0
Expected Return on Plan Assets	0	0
Actuarial Gain / (Losses)	0	0
Assets Distributed on Settlements	0	0
Contributions by Employer	0	0
Assets Acquired on Acquisition / (Distributed on Divestiture)	0	0
Exchange Difference on Foreign Plans	0	0
Benefits Paid	0	0
Closing Fair Value of Plan Assets	0	0
Expected Employer's Contribution Next Year	0.11	0.04

TABLE 4

EXPERIENCE ADJUSTMENTS

₹ Lacs

	Period Ended	
	2010-11	2009-10
Defined Benefit Obligation	10.07	5.95
Plan Assets	0	0
Surplus / (Deficit)	(10.07)	(5.95)
Exp. Adj. on Plan Liabilities	0.77	0.23
Exp. Adj. on Plan Assets	0	0

**FINANCIAL ASSUMPTIONS AT THE VALUATION DATE:**

	Period Ended	
	2010-11	2009-10
Discount Rate (p.a.)	8.10%	8.00%
Expected Rate of Return on Assets (p.a.)	0.00%	0.00%
Salary Escalation Rate (p.a.)	7.00%	7.00%

As no provision for gratuity was made for the last year ended 31st March 2010, the amount of expense pertaining to the previous year ₹. 5.95 Lacs is accounted in the current year under prior period expense.

2.12 C.I.F. Value of Imports:-

	2010-11	2009-10
	₹. Lacs	₹. Lacs
Raw Material	1,058.71	966.41
Capital Goods	50.93	21.11

2.13 Expenditure in Foreign Currency:-

	2010-11	2009-10
	₹. Lacs	₹. Lacs
Travel	9.29	19.77
Exhibition	42.86	6.74
Product Development	7.34	0
Research and Development	4.39	0
Licence/Registration Fees	2.55	0
Lodging & Boarding	7.39	0

2.14 Earnings in Foreign exchange:-

	2010-11	2009-10
	₹. Lacs	₹. Lacs
FOB Value of goods exported	1,162.53	908.01

2.15 Event occurring after balance sheet date:-

- The company made an Initial Public Offering of shares (IPO) which opened for subscription on 9th May 2011 and closed on 12th May 2011 to QIB bidders, Retail individual bidders and Non-Institutional bidders of 50,00,000 Equity shares of the face value of ₹.10/- each at a price of ₹.234/- (including share premium of ₹.224/-) per Equity share aggregating to ₹.11,700 Lacs constituting 39.76 % of the fully diluted post issue paid up capital of the company. The issue was fully subscribed and allotment to the respective applicants were made on 20th May 2011 in consultation with the authorized representatives of the designated stock exchange viz-Bombay Stock Exchange Limited. The entire issued, subscribed and fully paid up share capital comprising 1,25,76,667 equity shares of ₹.10 each are listed on the National Stock Exchange of India Limited and The Bombay Stock Exchange Limited as per the in-principle approval dated 24th December 2010 and 28th October 2010 respectively received from the said stock exchanges.
- Pursuant to the aforesaid IPO mentioned in clause 2.15 (a) above, Aasda Lifecare Limited (formerly Finaventure Capital Limited) ceases to be the holding company of Aanjaneya Lifecare Limited consequent to decrease in its shareholding to 44.13% of the post issue paid up capital of the company. Name of Aasda Lifecare Limited has been changed to Finaventure Capital Limited w.e.f 7th June 2011.

2.16 Micro Small & Medium Enterprises Development Act 2006. (MSMED Act 2006):-

The company is outside the purview of MSMED Act 2006 as the investment in Plant & Machinery is greater than 10 crores as at the end of the year.

2.17 The previous year figures have been recast / regrouped whenever necessary in order to confirm to current years presentation.

2.18 Earnings per Share:-

	2010-11	2009-10
Profit Attributable to Equity Shareholders (₹.in Lacs)	3,601.28	1,507.77
Weighted No. of Equity Shares	69,25,708	49,70,384
Norminal Value of Equity Shares (₹.)	10	10
Basic Earnings per Share (₹.)	52.00	30.34

2.19 Remuneration to Directors:-

	2010-11	2009-10
	(₹. Lacs)	(₹. Lacs)
Salary including P.F. Contribution	106.61	77.12
Sitting Fees	1.50	Nil

2.20 Segment Information:-

The company has only one reportable segment and that is the business segment and there are no geographical segments. Segment information disclosure is made in accordance with Accounting standard (AS) -17 "Segment Reporting". It is identified based on products, organization structure, risk return profile and the reporting systems of the company. The business segment is organized into API manufacturing and Formulation manufacturing. Formulation manufacturing business has commenced only from 1st April 2010 and onwards. Hence this is the first reporting period for segment information.

Information about Business Segments for the year ended 31/03/2011

	Particulars	Business Segments		Unallocable	Total
		API	Formulation		
		₹. lacs	₹.lacs	₹.lacs	₹.lacs
A	Revenue :				
	Total External Sales	18,859.80	13,096.65	69.53	32,025.98
	Inter Segment Sales	-	-	-	-
	Total Revenue	18,859.80	13,096.65	69.53	32,025.98
B	Segment result before interest, exceptional items and tax	3,828.37	2,996.69	13.85	6,838.91
	Less : - Interest Expenses				1,361.04
	Less :- Exceptional Expenses				38.57
	Add :- Exceptional Income				19.48
	Unallocable Corporates items				-
	Profit before Taxes				5,458.78
	Taxes :-				
	Less :-Income Tax				1,594.33
	Less:-Deferred Tax				263.18
	Profit after Taxes				3,601.28
C	Segment Assets	17,560.12	11,345.85	582.34	29,488.30
D	Segment Liabilities	(236.12)	(150.92)	16,436.73	16,049.69
E	Capital Expenditure	3,960.98	2,876.20	11.22	6,848.40
F	Segment Depreciation	137.78	115.33	5.25	258.36
G	Non - Cash Expenses other than depreciation	NIL	NIL	NIL	NIL



2.21. Consumption of Materials:-

Particulars	2010-11		2009-10	
	%	Amount (₹. Lacs)	%	Amount (₹. Lacs)
Consumption of Materials – Mfg				
Indigenous	95%	23,471.40	90%	11,595.49
Imported	5%	1,116.24	10%	1,288.39
Raw Materials consumed in Mfg	100%	24,587.64	100%	12,883.88
Purchases- Trading		115.58		134.05
Total Consumption of Materials		24,703.22		13,017.92

2.22. Installed Capacity and Capacity Utilization for APIs and Formulation:-

Active pharmaceutical ingredients (API's/Bulk Drugs)

Particulars	Unit	2010-11	2009-10
		Bulk Drugs	Bulk Drugs
Installed capacity	MT	450.00	450.00
Actual Production	MT	326.42	274.28

Note: For API's, the reactors installed are to be of larger capacity so as to accommodate herbal based raw material inputs whose yield can vary from crop to crop. The reactors are also multipurpose in nature. Hence there is no direct correlation between installed capacity and actual production.

Formulations

2010-11			
Particulars	Unit	Actual Production	Installed Capacity
Formulations	Units in Thousands	5,09,371.73	15,71,650

Note:

(i) The Formulations business commenced only from 1st April 2010.

(ii) In terms of press Note no. 4 (1994 series) dated October 25, 1994 issued by the department of Industrial Development, Ministry of Industry, Government of India and Notification no. S.O. 137 (E) dated March 01, 1999 issued by the Department of Industrial Policy and Promotion, Ministry of Industry, Government of India, Industrial licencing has been abolished in respect of bulk drugs and formulations. Hence there are no registered / Licenced capacities for these bulk drugs and formulations.

2.23. Particulars of Production, Trading Purchase, Sales and Stock:-

Particulars	Units	Opening Stock		Trading Purchase	Production	Sales		Closing Stock	
		Qty	₹.Lacs	₹.Lacs	Qty	Qty	₹.Lacs	Qty	₹.Lacs
Formulation	Units in Thousands	-	-	-	5,09,371.73	4,90,653.49	13,056.02	18,718.24	393.48
Bulk Drugs	Kg in Thousands	3.33	153.26	-	326.42	317.17	18,859.80	12.58	590.23
Trading	-	-	16.14	115.58	-	-	69.53	-	-
Job Work	-	-	-	-	-	-	40.63	-	-
Total			169.40	115.58			32,025.98		983.71





AANJANEYA LIFECARE LIMITED

SCHEDULE U: NOTES ON ACCOUNTS

Additional Information As Required Under Part IV Of Schedule VI To The Companies Act 1956.
Balance Sheet Abstract And Company's General Business Profile

I. Registration Details:

Registration No.	:	U24230 MH 2006 PLC 158589
State Code	:	11
Balance Sheet Date	:	31.03.2011

II. Capital Raised during the year:

		(Amt. in ₹ Thousands)
Public Issue	:	N I L
Right Issue	:	N I L
Bonus Issue	:	N I L
Private Placement	:	4,86,000 (incl Premium ₹.4,68,000)

III. Position of Mobilization & Deployment of Fund: (Amt. in ₹ Thousands)

Total Liabilities	29,48,830
Total Assets	29,48,830
SOURCE OF FUND:	
Paid up Capital	75,767
Reserve & Surplus	12,68,094
Secured Loans	12,33,495
Unsecured Loans	1,54,957
Deferred Tax Liabilities	49,819
APPLICATION OF FUND:	
Net Fixed Assets	11,70,298
Investment	502
Net Current Assets	16,11,332
Miscellaneous Expense	Nil
Accumulated Losses	Nil

IV. PERFORMANCE OF COMPANY (Amt. in ₹ Thousands)

Turnover	32,04,546
Total Expenses	26,58,668
Profit/(Loss) before Tax	5,45,878
Profit/(Loss) after Tax	3,60,128
Earnings Per Share (Rs)	52.00

V. General Names of Three Principal Products/ Services of Company (as per monetary terms)

Item Code No. (ITC Code)	
Product Description	Bulk Drugs & Formulation

Signature to Schedule 'A' to 'U'
AS PER OUR ATTACHED REPORT OF EVEN DATE

For SUNIL MISTRY & CO.
Chartered Accountants
SD/-

For AANJANEYA LIFECARE LTD
SD/- SD/-

SUNIL MISTRY
Proprietor
M. No. 113813
Place: Mumbai
Dated: 15th July 2011

Chairman
K. Vishwanathan

Managing Director
Kannan Vishwanath

Harleen Sahni
Company Secretary

CORPORATE GOVERNANCE REPORT

1. COMPANY'S PHILOSOPHY

Your Company believes in maintaining good corporate governance and has set various policies & procedures focusing & stressing on business ethics, transparency and integrity, which would enhance its commitment towards the Corporate Governance. Your Company is very much in compliance with all the applicable rules & regulations and respects its shareholders & investors for their contribution in the Company and thereby adopts the responsibility of maintenance of highest standards of corporate governance which enables it to take the shareholders' value to the optimum level.

2. BOARD OF DIRECTORS

Your Company has an optimum combination of Executive & Non-Executive Directors on Board. The Board comprises of four (4) Executive Directors & four (4) Non- Executive Directors. As the Chairman of the Company is Executive Director, 50% of the total strength of Directors on Board is Non- Executive Independent Directors. The necessary disclosures regarding committee positions have been made by all the Directors.

The composition of the Board of Directors is as follows:

The names and categories of Directors, their attendance at the Board Meetings held during the year and at the last Annual General Meeting, as also the number of directorships and committee positions held by them in other Companies are given below:

DIRECTOR	CATEGORY	No. of Board Meetings attended during 2010-11	Attendance at AGM held on 4th May, 2010	Directorships in other Companies (Public & Private Co)	All Mandatory Board Committees of other Companies in which he /she is a Chairman/Member/		
					Chairman	Member	Total
Mr. Kashi Vishwanathan	Executive Chairman	23	Yes	1	-	2	2
Mr. Kannan Vishwanath	Managing Director	23	Yes	1	-	-	-
Mr. Prabhat Goyal	Whole time Director	23	No	-	-	-	-
Mr. Shashikant Shinde	Whole Time Director	16	Yes (As Representative of Aasda lifecare Limited)	1	-	-	-
Mr. Giridhar Pulleti	Non Executive & Independent Director	22	No	3	-	-	-
Mr. Balkrishna Parab	Non Executive & Independent Director	22	No	1	2	-	2
Dr. Ulloopee Badade	Non Executive & Independent Director	21	No	1	-	2	2
Mr. Kalidas Patel*	Non Executive & Independent Director	6	NA	-	-	-	-
Mr. Dharmpal Badade#	Additional Director	NIL	NA	-	-	-	-
\$Mr. Paul Naythatil	Non Executive & Independent Additional Director	NA	NA				



*Appointed as Additional Director w.e.f. 11th August, 2010/Resigned from directorship during current financial year.

Resigned from directorship w.e.f. 20th April, 2010

@ appointed as Additional Director w.e.f. 15th May, 2010 and appointed as whole Time director w.e.f. 19th July, 2010

\$Appointed as an Additional Director w.e.f. 7th July, 2011

IAI All Public Limited Companies (listed or not) included. All Private Co, Foreign Co. & Section 25 Co excluded.

The Board of Directors of the Company met 23 times during the financial year 2010-2011, the details of the same are as follows: 3rd April, 2010; 13th April, 2010; 20th April, 2010; 22nd April, 2010; 27th April, 2010; 6th May, 2010; 15th May, 2010; 1st June, 2010; 15th June, 2010; 21st June, 2010; 19th July, 2010; 22nd July, 2010; 24th July, 2010; 26th July, 2010; 30th July, 2010; 11th August, 2010; 13th September, 2010; 15th September, 2010; 18th September, 2010; 9th October, 2010; 20th December, 2010; 31st January, 2011 and 11th March, 2011.

None of the Non-Executive Directors of the Company have any pecuniary relationship or transactions with the Company other than sitting fees paid to them. The Shareholding of Non-Executive Directors 31st March, 2011 is as follows:

Sr. No.	Directors	No. of Shares held
1	Mr. Giridhar Pulleti	NIL
2	Mr. Balkrishna Parab	NIL
3	Dr. Ulloopee Badade	NIL
4	Mr. Kalidas Patel	NIL

Board Committees

In Compliance with both the mandatory and non-mandatory requirements under the Listing Agreement and the applicable laws, the Board has constituted the following committees:

- (i) Audit Committee
- (ii) Shareholders/ Investor Grievance Committee
- (iii) Remuneration Committee
- (iv) IPO Committee

(i) Audit Committee

The Audit Committee consists of:

Sr. No.	Name of the Director	Designation in the Committee	Nature of Directorship
1.	Mr. Balkrishna Parab (Chairman till 11/08/2010)	Chairman	Non-Executive and Independent Director
2	Mr. Kalidas Patel (Chairman of the Committee w.e.f. 11/08/2010 as a result of re-constitution)	Chairman	Non-Executive and Independent Director
3	Dr. Ulloopee Sharad Badade	Member	Non-Executive and Independent Director
4	Dr. Kannan Vishwanath	Member	Executive Non Independent Director

The Company Secretary of the Company acts as the Secretary to the Audit Committee.

Details of Audit Committee Meetings held & attended by Directors:

Sr. No.	Name of the Director	No. of Meeting held	No. of Meeting Attended
1	Mr. Balkrishna Parab (Chairman till 11/08/2010)	-	-
2	Mr. Kalidas Patel (Chairman of the Committee w.e.f. 11/08/2010 as a result of re-constitution)	2	2
3	Dr. Ullooppee Sharad Badade	2	2
4	Dr. Kannan Vishwanath	2	2

The terms of reference of the Audit Committee are as follows:

1. Overseeing our Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
4. Appointment, removal and terms of remuneration of internal auditors
5. Reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference to:
 - ◆ Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (2AA) of Section 217 of the Companies Act 1956;
 - ◆ Changes, if any, in accounting policies and practices and reasons for the same;
 - ◆ Major accounting entries involving estimates based on the exercise of judgment by management;
 - ◆ Significant adjustments made in the financial statements arising out of audit findings;
 - ◆ Compliance with listing and other legal requirements relating to the financial statements;
 - ◆ Disclosure of any related party transactions;
 - ◆ Qualifications in the draft audit report;
6. Reviewing, with the management, the quarterly, half-yearly and annual financial statements before submission to the Board for approval;
7. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
8. Monitoring the use of the proceeds of the proposed initial public offering of our Company.
9. Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems;
10. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit;
11. Reviewing management letters / letters of internal control weaknesses issued by the statutory auditors;
12. Discussion with internal and statutory auditors on any significant findings and follow up there on;
13. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
14. Discussion with the statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
15. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of nonpayment of declared dividends) and creditors;
16. To review the functioning of the Whistle Blower mechanism, when the same is adopted by our Company and is existing;



17. Carrying out any other function as may be statutorily required to be carried out by the Audit Committee;
18. The Audit Committee shall mandatory review the following information:
- ◆ Management discussion and analysis of financial condition and results of operations;
 - ◆ Statement of significant related party transactions (as defined by the audit committee), submitted by management;
 - ◆ Management letters / letters of internal control weaknesses issued by the statutory auditors;
 - ◆ Internal audit reports relating to internal control weaknesses; and
 - ◆ The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee.
 - ◆ Financial statements, in particular, the investments made by the unlisted subsidiary company.

(ii) Shareholders/ Investor Grievance Committee

The Shareholders/Investor Grievance Committee consists of:

Sr. No.	Name of the Director	Designation in the Committee	Nature of Directorship
1	Dr. Ullooppee Badade	Chairman	Non-Executive and Independent Director
2	Mr. Giridhar Puleti	Member	Non-Executive and Independent Director
3	Dr. Kannan Vishwanath	Member	Executive Non Independent Director

The Company Secretary of the Company acts as the Secretary to the Shareholders/Investor Grievance Committee.

Details of Shareholders/Investor Grievance Committee Meetings held & attended by Directors:

Sr. No.	Name of the Director	No. of Meeting held	No. of Meeting Attended
1	Dr. Ullooppee Badade	2	2
2	Mr. Giridhar Puleti	2	2
3	Dr. Kannan Vishwanath	2	2

The terms of reference of the Shareholders/Investor Grievance Committee are as follows:

The Shareholders / Investors Grievance Committee is responsible for the redressal of shareholders and investors' grievances and oversees performance of the registrars and transfer agents of the Company and recommends measures for overall improvement in the quality of investor services. This committee also monitors the implementation and compliance of our Code of Conduct for Prohibition of Insider Trading pursuant to the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992, as amended. In compliance of the provisions of Clause 49 of the listing agreements with the Stock Exchanges, its terms of reference include the following:

1. Efficient transfer of Equity Shares; including review of cases for refusal of transfer / transmission of shares and debentures;
2. Redressing of shareholders and investor complaints such as non-receipt of declared dividend, annual report, transfer of Equity Shares and issue of duplicate/split/consolidated share certificates;
3. Monitoring transfers, transmissions, dematerialization, re-materialization, splitting and consolidation of Equity Shares and other securities issued by our Company, including review of cases for refusal of transfer/ transmission of shares and debentures;
4. Allotment and listing of shares in future;
5. Review of cases for refusal of transfer / transmission of shares and debentures;
6. Reference to statutory and regulatory authorities regarding investor grievances;
7. Ensure proper and timely attendance and redressal of investor queries and grievances;
8. To do all such acts, things or deeds as may be necessary or incidental to the exercise of the above powers;
9. To review from time to time the secretarial department;
10. Investor relations and redressal of shareholders grievances in general and relating to non receipt of declared dividends, interest, non- receipt of balance sheet etc.;

11. Such other matters as may from time to time be required by any statutory, contractual or other regulatory requirements to be attended to by such committee.

Details/Status of shareholders complaints as on 31st March, 2011:

Complaints Received : NIL
 Complaints Satisfied : NIL
 Complaints Pending : NIL

(iii) Remuneration Committee

The Remuneration Committee consists of:

Sr. No.	Name of the Director	Designation in the Committee	Nature of Directorship
1	Mr. Balkrishna Parab	Chairman	Non-Executive and Independent Director
2	Mr. Giridhar Pulleti	Member	Non-Executive and Independent Director
3	Dr. Ullooppee Badade	Member	Non-Executive and Independent Director

The Company Secretary of the Company acts as the Secretary to the Remuneration Committee.

Details of Remuneration Committee Meetings held & attended by Directors:

Sr. No.	Name of the Director	No. of Meeting held	No. of Meeting Attended
1	Mr. Balkrishna Parab	2	2
2	Mr. Giridhar Pulleti	2	2
3	Dr. Ullooppee Badade	2	2

The terms of reference of the Remuneration Committee are as follows:

The Committee has powers of recommending remuneration package to for Executive Directors and other Board Members as per the requirements of the Clause 49 of the Listing Agreement for corporate governance.

1. Framing suitable policies and systems to ensure that there is no violation, by an employee of any applicable laws in India, including:
 - ❖ The Securities and Exchange Board of India (Insider Trading) Regulations, 1992; or
 - ❖ The Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 1995.
2. To recommend to the Board, the remuneration packages of our Company's Managing/Joint Managing/ Deputy Managing/Whole time / Executive Directors, including all elements of remuneration package (i.e. salary, benefits, bonuses, perquisites, commission, incentives, stock options, pension, retirement benefits, details of fixed component and performance linked incentives along with the performance criteria, service contracts, notice period, severance fees etc.);
3. To be authorised at its duly constituted meeting to determine on behalf of the Board of Directors and on behalf of the shareholders with agreed terms of reference, our Company's policy on specific remuneration packages for Company's Managing/Joint Managing/ Deputy Managing/ Whole Time/ Executive Directors, including pension rights and any compensation payment;
4. Perform such functions as are required to be performed by the Remuneration Committee under the ESOP Guidelines, in particular, those stated in Clause 5 of the ESOP Guidelines; and
5. To implement, supervise and administer any share or stock option scheme of our Company
6. To attend to any other responsibility as may be entrusted by the Board within the terms of reference.
7. Such other matters as may, from time to time, be required by any statutory, contractual or other regulatory requirements to be attended to by such committee.

Details of remuneration to all the Directors:

The details of the remuneration paid to the Managing Director, Chairman and the Whole-time Directors



as approved by the Board & Remuneration Committee are as follows:

a) Dr. Kannan Vishwanath (Managing Director)

Upto maximum Rs. 3,50,000/- (Rupees Three Lacs Fifty Thousand Only) per month or Rs. 42,00,000/- (Rupees Forty Two Lacs Only) per annum with perquisites & allowances based on merit and taking into account the Company's Performance.

b) Mr. Kashi Vishwanathan (Executive Chairman)

Upto maximum Rs. 3,50,000/- (Rupees Three Lacs Fifty Thousand Only) per month or Rs. 42,00,000/- (Rupees Forty Two Lacs Only) per annum with perquisites & allowances based on merit and taking into account the Company's Performance.

c) Mr. Prabhat Kumar Goyal (Whole-Time Director)

Upto maximum Rs. 150,000/- (Rupees One Lac Fifty Thousand Only) Per month or Rs. 18,00,000/- (Rupees Eighteen Lacs Only) per annum with perquisites & allowances based on merit and taking into account the Company's Performance.

d) Mr. Shashikant Shinde (Whole-Time Director)

Upto maximum Rs. 150,000/- (Rupees One Lac Fifty Thousand Only) Per month or Rs. 18,00,000/- (Rupees Eighteen Lacs Only) per annum with perquisites & allowances based on merit and taking into account the Company's Performance.

The Non-Executive Directors of the Company are paid sitting fees (Rs. 3000/- per meeting) only for the number of Board Meetings of the Company attended by them as approved by the Board.

(iv) **IPO Committee**

The IPO Committee consists of:

Sr. No.	Name of the Director	Designation in the Committee	Nature of Directorship
1	Dr. Kannan Vishwanath	Chairman	Managing Director
2	Mr. Kashi Vishwanathan	Member	Executive Chairman
3	Mr. Prabhat Goyal	Member	Executive Director

The Company Secretary of the Company acts as the Secretary to the IPO Committee.

Details of IPO Committee Meetings held & attended by Directors:

Sr. No.	Name of the Director	No. of Meeting held	No. of Meeting Attended
1	Dr. Kannan Vishwanath	1	1
2	Mr. Kashi Vishwanathan	1	1
3	Mr. Prabhat Goyal	1	1

The terms of reference of the IPO Committee are as follows:

1. To decide on the actual size of the IPO, including any offer for sale by promoters/shareholders, green shoe option, any pre-IPO placement, promoter's contribution and/or reservation for employees or shareholders of promoting companies or shareholders of group companies and/or any other reservations or firm allotments as may be permitted, timing, pricing and all the terms and conditions of the issue of the Equity Shares, and to accept, implement, negotiate, carry out and decide any amendments, modifications, variations or alterations thereto;
2. To appoint and enter into arrangements with the book running lead managers, co-managers to the Issue, underwriters to the Issue, bankers to our Company, syndicate members to the Issue, advisors to the Issue, stabilizing agent, brokers to the Issue, escrow collection bankers, accountants, auditors, depositories, trustees, custodians, registrar to the Issue, legal advisors as to Indian and overseas jurisdictions to our Company, advertising and/or promotion or public relations agencies and any other agencies, persons or other intermediaries as may be involved with the IPO, including any successors or replacements thereof;
3. To finalize, approve, execute and deliver or arrange the delivery of the offering documents (including the draft red herring prospectus, the red herring prospectus, the final prospectus (including the preliminary international wrap and the final international wrap, if required, for marketing of the Issue in jurisdictions outside India)), the statement-in-lieu of the prospectus, syndicate agreement, underwriting agreement, escrow agreement, stabilization agreement and all other documents, deeds, agreements and instruments and any amendments, supplements, notices or corrigenda thereto, together with any summaries thereto, as may be required or desirable in connection with the issue of the Equity Shares or the IPO by our Company;
4. To open one or more separate current account(s) in such name and style as may be decided, with a scheduled bank to receive applications along with application monies in respect of the issue of the Equity Shares of our Company;
5. To open one or more bank account(s) of our Company in such name and style as may be decided for the handling of refunds for the Issue;
6. To open any other bank account(s), share/securities account, escrow or custodian accounts, in India or abroad, in rupees or in any other currency, in accordance with applicable laws, rules, regulations, approvals and guidelines;
7. To make applications for listing of the Equity Shares of our Company in one or more stock exchange(s) and to execute and to deliver or arrange the delivery of the listing agreement(s), or equivalent documentation to the concerned stock exchange(s) and to take all such actions as may be necessary in connection with obtaining the listing of the Equity Shares of our Company;
8. To make and approve amendments to the memorandum of association and the articles of association of our Company;
9. To approve all actions required to dematerialize the Equity Shares of our Company;
10. To approve codes of conduct as may be considered necessary by the Board or the IPO Committee or as required under applicable laws, regulations or guidelines for the Board, officers of our Company and other employees of our Company;
11. To approve a suitable policy on insider trading as required under applicable laws, regulations and guidelines;
12. To approve any corporate governance requirement that may be considered necessary by the Board or the IPO Committee or as may be required under applicable laws, regulations or guidelines in connection with the IPO;
13. To take all action as may be necessary or authorized in connection with any offer for sale;
14. To remunerate all book running lead managers, co-managers to the Issue, underwriters to the Issue, bankers to our Company, syndicate members to the Issue, advisors to the Issue, stabilizing agent, brokers to the Issue, escrow collection bankers, accountants, auditors, depositories, trustees, custodians, registrar to the Issue, legal advisors as to Indian and overseas jurisdictions to our Company, advertising and/or promotion or public relations agencies and any other agencies, persons or other intermediaries as may be involved with the IPO, by way of commission, brokerage, fees or the like;



15. To seek the admission of our Company's Equity Shares into the Central Depository Services (India) Limited and the National Securities Depository Limited and take any further action as may be necessary or required for the dematerialization of our Company's Equity Shares;
16. To seek, if required, the consent of our Company's lenders, parties with whom our Company has entered into various commercial and other agreements, all concerned government and regulatory authorities in India or outside India, and any other consents that may be required in connection with the IPO;
17. To determine the price band for the purpose of bidding, any revision to the price band and the final IPO price after bid closure;
18. To determine the bid opening and closing dates
19. To finalize the allocation/allotment/transfer of Equity Shares to retail investors/non-institutional investors/qualified institutional buyers in consultation with the book running lead managers, the stock exchanges and/or any other entity;
20. To allocate/issue/allot/transfer the Equity Shares in accordance with the terms of the IPO, and all such Equity Shares shall rank pari passu with the existing Equity Shares of our Company in all respects, except as may be provided under the terms of the Issue and any IPO document;
21. To authorize and empower Mr. Kannan K. Vishwanath, Mr. Kashi Vishwanathan and Mr. Prabhat K. Goyal, officers of our Company (each, an "Authorized Officer"), for and on behalf of our Company, to execute and deliver, on a several basis, any agreements and arrangements as well as amendments or supplements thereto that the Authorized Officer considers necessary, desirable or advisable, in connection with the IPO, including, without limitation, engagement letter(s), the listing agreements, the registrar's agreement and memorandum of understanding, the depositories agreements, the memorandum of understanding with the book running lead managers (and other entities as appropriate), the underwriting agreement, the syndicate agreement, the stabilization agreement, the escrow agreement, confirmation of allocation notes, and any agreement or document in connection with the pre-IPO placement (including any placement agreement, escrow agreement and offering documentation), with the book running lead managers, co-managers to the Issue, underwriters to the Issue, bankers to our Company, syndicate members to the Issue, advisors to the Issue, stabilizing agent, brokers to the Issue, escrow collection bankers, accountants, auditors, depositories, trustees, custodians, registrar to the Issue, legal advisors as to Indian and overseas jurisdictions to our Company, advertising and/or promotion or public relations agencies and any other agencies, persons or other intermediaries as may be involved with the IPO, and any such agreements or documents so executed and delivered and acts and things done by any such Authorized Officer shall be conclusive evidence of the authority of the Authorized Officer and our Company in so doing;
22. To severally authorize each of the Authorized Officers to enter into and execute all other arrangements, letters, agreements, deeds, and powers of attorney with the placement agents, and any such documents so executed and delivered or acts and things done by any Authorized Officer shall be conclusive evidence of the authority of such Authorized Officer and our Company in so doing and any document so executed and delivered or acts and things done by any such Authorized Officer prior to the date hereof are hereby ratified, confirmed and approved as the acts and deeds of the Authorized Officer and Company;
23. To make or to authorize an Authorized Officer to make any application and take any and all action in connection with obtaining approvals or entering into any arrangement, in respect thereof from the Foreign Investment Promotion Board of India, the Reserve Bank of India, the shareholders of our Company, the Government of India, the Securities and Exchange Board of India, the Registrar of Companies and such other authorities, as may be required, for the purpose of issue of the Equity Shares by our Company in the IPO, including the issue of the Equity Shares to non-resident investors, including but not limited to, NRIs, FIIs, FVCI's and other non-residents;
24. To severally authorize and empower each Authorized Officer, for and on behalf of our Company, to execute and deliver any and all other documents, papers or instruments and to do or cause to be done any and all acts or things as any such Authorized Officer may deem necessary, appropriate or advisable in order to carry out the purposes and intent of the foregoing resolutions the IPO; and any

such documents so executed and delivered or acts and things done by any such Authorized Officer shall be conclusive evidence of the authority of such Authorized Officer and our Company in so doing and any such document so executed and delivered or acts and things done by any such Authorized Officer prior to the date hereof are hereby ratified, confirmed and approved as the act and deed of the Authorized Officer and our Company, as the case may be;

25. To settle all questions, difficulties or doubts that may arise in regard to the Issue or allotment of Equity Shares as the IPO Committee may, in its absolute discretion, deem fit; and
26. To sign, execute, and deliver all such documents or instruments and do all such acts, deeds, matters and things as the IPO Committee may, in its absolute discretion, deem necessary or desirable in order to carry out the purposes and intent of the foregoing, or otherwise in relation to the Issue or any matter incidental or ancillary in relation to the Issue, including without limitation, allocation and allotment of the Equity Shares as permissible in law and issue of share certificates in accordance with the relevant rules, and any documents or instruments so executed and delivered or acts and things done or caused to be done by the IPO Committee shall be conclusive evidence of the authority of the IPO Committee in so doing.

General Body Meetings

The details of the last three Annual General Meetings of your Company are presented in the following table:

Nature of the Meeting	Date and Time	Venue
Fourth Annual General Meeting	4th May, 2010 at 11.00 a.m	Aanjaneya House, Plot No. 34, Postal Colony, Chembur, Mumbai – 400 071.
Third Annual General Meeting	25th July, 2009 at 11.00 a.m	Aanjaneya House, Plot No. 34, Postal Colony, Chembur, Mumbai – 400 071.
Second Annual General Meeting	11th July, 2008 at 11.00 a.m	Vishwam, 8/B, Postal Colony, Chembur (East), Mumbai- 400 071.

The following Special Resolutions were passed by the Members during the last three Annual General Meetings:

Fourth Annual General Meeting held on 4th May, 2010

- ◆ Adoption of new set of Articles of Association of the Company
- ◆ Approval for Initial Public Offer

Third Annual General Meeting held on 25th July, 2009

—NIL—

Second Annual General Meeting held on 11th July, 2008

—NIL—



Extra Ordinary General Meetings

Nature of the Meeting	Date and Time	Venue
Extra Ordinary General Meeting	19th April, 2010 at 11.00 a.m	Aanjaneya House, Plot No. 34, Postal Colony, Chembur, Mumbai – 400 071.
Extra Ordinary General Meeting	2nd June, 2010 at 10.30 a.m	Aanjaneya House, Plot No. 34, Postal Colony, Chembur, Mumbai – 400 071.
Extra Ordinary General Meeting	11th August, 2010 at 11.30 a.m	Aanjaneya House, Plot No. 34, Postal Colony, Chembur, Mumbai – 400 071.
Extra Ordinary General Meeting	7th October, 2010 at 11.30 a.m	Aanjaneya House, Plot No. 34, Postal Colony, Chembur, Mumbai – 400 071.
Extra Ordinary General Meeting	11th October, 2010 at 11.30 a.m	Aanjaneya House, Plot No. 34, Postal Colony, Chembur, Mumbai – 400 071.

The following Resolutions were passed by the Members at the Extra Ordinary General Meetings held during the year under review:

Extra Ordinary General Meeting held on 19th April, 2010

1. Increase in Authorized Share Capital of the Company
2. Alteration of Memorandum of Association
3. Alteration of Articles of Association

Extra Ordinary General Meeting held on 2nd June, 2010

1. Change of name of the Company

Extra Ordinary General Meeting held on 11th August, 2010

1. Issue of 18,00,000 Equity Shares on Preferential Basis u/s 81(1A) of the Companies Act, 1956.
2. Appointment of Mr. Shashikant Shinde as Whole-time Director of the Company

Extra Ordinary General Meeting held on 7th October, 2010

1. Consent to Board of Directors u/s 293 (1) (e) of the companies act, 1956

Extra Ordinary General Meeting held on 11th October, 2010

1. Consent of the Company to Board of Directors pursuant to Section 293 (1) (a) of the Companies Act, 1956

Postal Ballot

The Company was listed on the Stock Exchanges i.e. NSE & BSE on 27th May, 2011, after the year ended 31st March, 2011. Hence, the Postal Ballot Rules were not applicable for the said financial year.

DISCLOSURES

- ◆ The Company has not entered into any transaction of material nature with the Promoters, the Directors or the Management, their subsidiaries or relatives, etc. that may have any potential conflict with the interest of the Company.
- ◆ The Company has complied with the requirements of the Stock Exchanges, SEBI and other statutory authority on all matters related to capital markets during the last three years. There were no penalties imposed nor any strictures passed on the Company by the Stock Exchanges, SEBI or any other statutory authority relating to the above.
- ◆ Your Company has complied with all the mandatory requirements of Clause 49 of the Listing Agreement and the non-mandatory requirements relating to the constitution of the

Remuneration Committee

- ◆ The Management Discussion and Analysis Report is annexed and forms a part of the Directors' Report.

CEO/CFO CERTIFICATION

The CEO/CFO of the Company have certified to the Board as required under Clause 49 (V) of the Listing Agreement.

MEANS OF COMMUNICATION

- ◆ The quarterly and annual financial Results are published in English and Marathi daily newspaper viz.:
 - Economic Times
 - Business Standard
 - Aapla Mahanagar
 - Maharashtra Times

The results are also available on the website of your Company i.e. www.aanlife.com

- ◆ The website of the Company consist of "Investor" section, which provides detailed information to the shareholders.
- ◆ The Press Releases issued are also displayed on the website of the Company.
- ◆ There are no presentations made to the institutional investors or to the analysts.

CERTIFICATE ON CORPORATE GOVERNANCE

The Certificate as received from **M/s. Deep Shukla & Associates**, Practicing Company Secretary with respect to compliance with Clause 49 of the Listing Agreement relating to Corporate Governance has been annexed to the Corporate Governance Report and will be sent to the Stock Exchanges at the time of filing of the Annual Report.

RECONCILIATION OF SHARE CAPITAL AUDIT

As stipulated by SEBI, a Reconciliation of Share Capital Audit is carried out by practising Company Secretary on a quarterly basis to confirm reconciliation of the issued and listed capital, shares held in dematerialised and physical mode, and the status of the Register of Members.

MARKET PRICE DATA / PERFORMANCE COMPARISON

The Company was listed on the stock exchanges i.e. NSE & BSE on 27th May, 2011, after the year ended 31st March, 2011. Hence, we are unable to provide the market price data and the performance comparison for the said financial year.

DISTRIBUTION OF SHAREHOLDING AS ON 31ST MARCH, 2011

The Company was listed on the stock exchanges i.e. NSE & BSE on 27th May, 2011, after the year ended 31st March, 2011. Hence, distribution of shareholding as on 31st March 2011 cannot be provided.

SHAREHOLDING PATTERN AS ON 31ST MARCH, 2011

As the Company got listed on 27th May 2011, the Shareholding Pattern of the Company as an unlisted entity as on 31st March, 2011 is as mentioned below:



Category Code	Category of Shareholder	No. of Share holders	Total no. of shares	No. of shares held in de materialized form	Total shareholding as a percentage of total number of shares		Shares Pledged or otherwise encumbered	
					As a % of (A + B)	As a % of (A+B+C)	No. of Shares	As a %
A)	Shareholding of promoter and promoter group							
(1)	Indian							
(a)	Individuals/Hindu undivided Family	3	20,26,687	20,26,667	26.75	26.75	-	-
(b)	Central Government/State Government (s)	-	-	-	-	-	-	-
(c)	Bodies Corporate#	1	55,49,950	55,49,910	73.25	73.25	-	-
(d)	Financial Institutions/Banks	-	-	-	-	-	-	-
(e)	Any other	-	-	-	-	-	-	-
	Sub-Total (A) (1)	4	75,76,637	75,76,577	100.00	100.00	-	-
(2)	Foreign							
(a)	Individuals (Non Resident Individuals / Foreign Individuals)	-	-	-	-	-	-	-
(b)	Bodies Corporate	-	-	-	-	-	-	-
(c)	Institutions	-	-	-	-	-	-	-
(d)	Any Other	-	-	-	-	-	-	-
	Sub-Total (A) (2)	NIL	NIL	NIL	NIL	NIL	-	-
	Total Shareholding of Promoter and promoter group (A)=(A) (1)+ (A) (2)	4	75,76,637	75,76,577	100.00	100.00	-	-
(B)	Public Shareholding							
(1)	Institutions							
(a)	Mutual Funds / UTI	-	-	-	-	-	-	-
(b)	Financial Institutions/Banks	-	-	-	-	-	-	-
(c)	Central Government / State Government (s)	-	-	-	-	-	-	-
(d)	Venture Capital Funds	-	-	-	-	-	-	-
(e)	Insurance Companies	-	-	-	-	-	-	-
(f)	Foreign Institutional Investor	-	-	-	-	-	-	-
(g)	Foreign Venture Capital Investors	-	-	-	-	-	-	-
(h)	Any Other	-	-	-	-	-	-	-
	Sub Total (B)(1)	NIL	NIL	NIL	NIL	NIL	-	-
(2)	Non Institutions							
(a)	Bodies Corporate	-	-	-	-	-	-	-

Category Code	Category of Shareholder	No. of Share holders	Total no. of shares	No. of shares held in de materialized form	Total shareholding as a percentage of total number of shares		Shares Pledged or otherwise encumbered	
					As a % of (A + B)	As a % of (A+B+C)	No. of Shares	As a %
(b)	Individuals- i) Individual shareholders holding nominal share capital up to ₹ 1 lac	3	30	-	Negligible	Negligible	-	-
	ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lac	-	-	-	-	-	-	-
(c)	Any other	-	-	-	-	-	-	-
	Sub Total (B)(2)	3	30	-	Negligible	Negligible	-	-
	Total Public shareholding (B)= (B)(1) + (B)(2)	3	30	-	Negligible	Negligible	-	-
	Total (A) + (B)	7	75,76,667	75,76,577	100.00	100.00	-	-
(C)	Shares held by Custodians and against which Depository Receipts have been issued	NIL	NIL	NIL	NIL	NIL	-	-
	Grand Total (A)+(B)+(C)	7	75,76,667	75,76,577	100.00	100.00	-	-

Dr. Kannan Vishwanath holds 40 Equity shares as a nominee of Finaventure Capital Limited (formerly known as Aasda Lifecare Limited)

SHAREHOLDERS' INFORMATION

1	Annual General Meeting	Day: Friday Date: 30th September, 2011 Time: 11.00 A.M. Venue: Acres Club 411 – B, Hemu Kalani Marg, Sindhi Society, Chembur, Mumbai: 400071
2.	Financial year Quarterly results will be declared as per the following tentative schedule: <ul style="list-style-type: none"> • Financial Reporting for the quarter ending June 30, 2011 • Financial Reporting for the half year ending September 30, 2011 • Financial reporting for the quarter ending December 31, 2011 • Financial reporting for the year ending March 31, 2012 	April 01 — March 31 First fortnight of August 2011 First fortnight of November 2011 First fortnight of February 2012 First fortnight of May 2012



3	Dates of Book Closure	Friday, 23rd September, 2011 to Friday, 30th September, 2011 (both days inclusive)
4	Listing on Stock Exchanges	The shares of the company are listed on: 1.The Bombay Stock Exchange Limited ("BSE") Stock Code : 533412 2.The National Stock Exchange of India Limited ("NSE") Stock Code: Aanjaneya
5	ISIN Number for NSDL & CDSL	INE928K01013
6	Outstanding ADR/GDR/Warrant or any Convertible instruments	NIL
7	Registrar & Share Transfer Agent	Link Intime India Private Limited Add: C-13, Pannalal Silk Mills Compound, LBS marg, Bhandup (West), Mumbai - 400078, India. Phone: +91 - 22 - 2596 0320 Fax: +91 - 22 - 2596 0329
8	Share Transfer System	The Board of Directors has delegated the power of share transfer to the Registrar and Share Transfer Agent, Link Intime India Private Limited (address mentioned above)
9	Compliance Officer	Mrs. Harleen Sahni Aanjaneya Lifecare Limited Add: Aanjaneya House, No. 34, Postal Colony, Chembur, Mumbai - 400 071. Tel : +91 22 2526 4500, Fax: +91 22 2526 2890 Email – ID: cs@aanlife.com
10	Dematerialisation of shares and Liquidity	99.9992% shares of your Company are held in demat/electronic mode.
11	Registered & Corporate Address	Add: Aanjaneya House, No. 34, Postal Colony, Chembur, Mumbai - 400 071. Tel : +91 22 2526 4500, Fax: +91 22 2526 2890 Email – ID: info@aanlife.com
12	Plant Locations	1. K-4/1 Additional MIDC, Mahad - 403209, Dist. - Raigad, Maharashtra Ph.: + 91 - 2145 - 250115 Fax: + 91 - 2145 – 250116 2. Gat. No. 123, Pirangut, Taluka - Mulshi, Dist. - Pune - 41104, Maharashtra. Ph.: + 91 - 20 - 66750552, Fax: + 91 - 20 - 66750600

CERTIFICATION BY MANAGING DIRECTOR:

I, Kannan Vishwanath, Managing Director & Chief Executive Officer (CEO) of **AANJANEYA LIFECARE LIMITED**, to the best of our knowledge and belief, certify that:

1. We have reviewed the balance sheet and profit and loss account and all the schedules and notes on accounts, as well as the cash flow statements, and the directors' report;
2. Based on our knowledge and information, these statements do not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the statements made;
3. Based on our knowledge and information, the financial statements, and other financial information included in this report, present in all material respects, a true and fair view of the Company's affairs, the financial condition, results of operations and cash flows of the Company as of, and for, the periods presented in this report, and are in compliance with the existing accounting standards and / or applicable laws and regulations;
4. To the best of our knowledge and belief, no transactions entered into by the Company during the year are fraudulent, illegal or violative of the Company's code of conduct;
5. We are responsible for establishing and maintaining disclosure controls and procedures and internal controls over financial reporting for the Company, and we have:
 - a) designed such disclosure controls and procedures to ensure that material information relating to the Company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) evaluated the effectiveness of the Company's disclosure, controls and procedures; and
 - d) disclosed in this report any change in the Company's internal control over financial reporting that occurred during the Company's most recent fiscal year that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.
6. I have disclosed based on my most recent evaluation, wherever applicable, to the Company's auditors and the audit committee of the Company's Board of Directors (and persons performing the equivalent functions):
 - a) all deficiencies in the design or operation of internal controls, which could adversely affect the Company's ability to record, process, summarize and report financial data, and have identified for the Company's auditors, any material weaknesses in internal controls over financial reporting including any corrective actions with regard to deficiencies;
 - b) significant changes in internal controls during the year covered by this report;
 - c) all significant changes in accounting policies during the year, if any, and that the same have been disclosed in the notes to the financial statements; and



- d) instances of significant fraud of which we are aware, that involve the Management or other employees who have a significant role in the Company's internal controls system.
7. In the event of any materially significant misstatements or omissions, we will return to the Company that part of any bonus or incentive or equity-based compensation, which was inflated on account of such errors, as decided by the audit committee;
 8. I affirm that I have not denied any personnel access to the audit committee of the Company (in respect of matters involving alleged misconduct) and I have provided protection to 'whistleblowers' from unfair termination and other unfair or prejudicial employment practices; and
 9. I further declare that all Board members and senior managerial personnel have affirmed compliance with the code of conduct for the current year.

For and on behalf of the Board of Directors

**Place: Mumbai
Date: 25/08/2011**

**KANNAN VISHWANATH
MANAGING DIRECTOR**



CERTIFICATE ON CORPORATE GOVERNANCE:

To the Shareholders of Aanjaneya Lifecare Limited

We have examined the compliance of conditions of corporate governance by Aanjaneya Lifecare Limited, for the year ended on March 31, 2011 as stipulated in clause 49 of the Listing Agreement of the said Company with Stock Exchange.

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 statement of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied in majority of all material conditions of corporate governance as stipulated in the above-mentioned Listing Agreement.

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

For: M/s. Deep Shukla & Associates
Company Secretaries
Deep Shukla
(Proprietor)
FCS No. 5652, CP No. 5364

Place: Mumbai
Date: 25/08/2011

Note:

This Certificate is issued in compliance of Clause 49 of the Listing Agreement for the financial year ended 31st March 2011 as the said clause is applicable on the date of signing of the Annual Report.





CORPORATE SOCIAL RESPONSIBILITIES (CSR)

Aanjaneya's Corporate Philosophy comprises Mission, Vision and Values. It is the origin of all the Company's activities. The company's basic principles of CSR are also integrated into this system, and the Company is currently pursuing a range of activities aimed at building our relationships with society, environment, suppliers, and employees. Executing strategies & plans to achieve the goal, at Aanjaneya we ensure that we operate within the legal frame work and in such a way that it not only protects the interest of the stake holder, employees and country at large but meets all obligations and statutory requirements. Corporate Responsibility to society is a philosophy of conduct and is part of our systems approach to business focused on the following:

1. Offering high-quality products and services to consumers;
2. Creating safe working environment, paying documented salaries, investing into human capital development;
3. Complying with legislative (fiscal, labor, environmental, etc.) requirements;
4. Building credible and genuine relations with all stakeholders;
5. Improving business operations with a view to add value and increase shareholders' wealth;
6. Considering public expectations and following generally accepted ethical values within business processes
7. Contributing to the emerging civil society through partnerships and local community development projects

Obligations towards Society/communities : Helping in local employment, community development, aiding in infrastructure development, promoting health awareness, promoting education etc. We are contributing to the societal well-being and benefit by focusing on ethics and the protection of public health, safety, and the environment which includes resource conservation and waste reduction and several education-related civic initiative : Our recent CSR activities are as under:-

1. The company has Donated Rs 65,00,000/- to Nalanda Educational Foundation, Malekar Wadi, P. L. Lokhande Marg Chembur Mumbai 400089 for the Education and welfare of the economically backward and socially deprived children.
2. For Manavya (NGO) a home for nursing, caring and sheltering orphaned and destitute children and women, **afflicted by HIV/AIDS** at Bhugaon, Dist: Pune, Maharashtra, we have given
 - (a) Sponsorship for **10 HIV+ve** children for General Medical needs like Vitamins, Medicines during hospitalization.
 - (b) Donated Books, School bags and stationery.
 - (c) Sponsorship for Health, Hygiene & clothing to Children for School uniforms, under garments, festive dresses, Sanitary Items, etc
3. Sponsored Books & study material for economically back ward children of Sudharshan Vidya Mandir, Primary School in Pirangut, Pune
4. Granted scholarship to economically backward girl students children Sudharshan Vidya Mandir, Primary School at Village – Pirangute, Dst : Pune
5. Adopted 10 economically backward children for education in Municipal school, Mahad
6. Donated ceiling fans to Schools in nearby villages in Mahad
7. Donation for Construction of Ladies toilets in a school at Village Fauji, Ambawade, Dist: Raigad
8. Donation for construction of Public toilets at Birawadi through Shiwaba Pratisthan Birwadi
9. Conducted Free Medical Check in Three Schools in surrounding villages of Pirangut, Pune
10. Donated medicines for poor through charitable trust in Pune
11. Provided Free Industrial training to 20 Pharmacy/Science students and 05 management students in Pune Plant.
12. Conducted Environment Protection Campaigns to spread awareness and a also distributed leaflets on
 - (a) Conservation of Forest & Tree plantation (b) Save Water (c) Save Energy
13. Distributed 2000 free saplings in surrounding places in Pirangut and 1500 free saplings in surrounding places in Mahad



Go Green initiative : Aanjaneya has taken number of Go Green initiatives for Energy saving, pollution control, reduce global warming, protection of environment, re-use of waste Rain water harvesting etc. for which the company has won; Emerging India Award-2010 Green Business by ICICI BANK, CNBC & TV 18 powered by CRISIL.





AANJANEYA Lifecare Limited

(Adding Good Health To Life..... Naturally)

Corporate & Registered Office

Aanjaneya House, No 34, Postal Colony, Chembur, Mumbai - 400071, India
Ph.: + 91 - 22 - 25264500 / 25243678 Fax: + 91 - 22 - 25223251 / 25262867



NOTICE

Notice is hereby given that the **Fifth Annual General Meeting** of the Members of **AANJANEYA LIFECARE LIMITED** will be held on **Friday, September 30, 2011** at 11.00 A.M. at Acres Club 411 – B, Hemu Kalani Marg, Sindhi Society, Chembur, Mumbai: 400071 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider, adopt and approve the Balance Sheet as at March 31, 2011 and the Profit and Loss Account for the year ended as on that date along with Reports of the Directors' and Auditor's thereon.
2. To appoint a Director in place of Dr. Ullooppee Badade, who retires by rotation, and being eligible, offers herself for re-appointment.
3. To appoint a Director in place of Mr. Balkrishna Parab, who retires by rotation, and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

4. To consider and if thought fit, to pass, with or without modification(s) the following resolution as an Ordinary Resolution:

"RESOLVED THAT M/s. Agarwal, Desai & Shah, Chartered Accountants, Mumbai, be and are hereby appointed as Statutory Auditors of the Company in place of M/s. Sunil Mistry & Co., Chartered Accountants, Mumbai (the Retiring Auditors,) to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting on such remuneration as may be fixed by the Board of Directors plus service tax and other tax(es) if applicable,."

5. To consider and if thought fit, to pass, with or without modification(s) the following resolution as an Ordinary Resolution:

"RESOLVED THAT Mr. Paul Naythatil who was appointed as an Additional Director by the Board under Section 260 of the Companies Act, 1956 and applicable Articles of the Articles of Association of the Company and who holds office only upto the date of this Annual General Meeting and in respect of whom the Company has received Notice in writing, under Section 257 of the Companies Act, 1956 from a member signifying his intention to propose him as a candidate for the office of a Director of the Company, be and is hereby appointed as a Director of the Company."

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

"RESOLVED THAT pursuant to section 293(1)(d) of the Companies Act, 1956 (including any statutory modification or re-enactment thereof, for the time being in force) and Articles of Association of the Company, consent of the Company be and is hereby given to the Board of Directors of the Company to borrow moneys whether rupee loans or foreign currency loans or other external commercial borrowings, from time to time, at their discretion together with the moneys to be borrowed/already borrowed by the Company (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business) either from the Company's Bankers and/or any one or more persons or Financial Institutions or from any other sources abroad, such as, Foreign Banks, Foreign Investment/Financial Institutions or Funds or other Bodies, Authorities/Entities abroad whether by way of cash credit, advance, loans or bill discounting, Issue of Fully Convertible Debentures, Partly Convertible Debentures and/or Non-Convertible Debentures with or without detachable or non-detachable warrants or warrants of any other kind, bonds, external commercial borrowings or other debt instruments, or otherwise and whether unsecured or secured by mortgage, charge, hypothecation or lien or pledge on the Company's assets and properties whether movable or immovable or stock-in-trade (including raw materials, stores, spare parts and components or stock in transit) and work-in-progress of the Company on such terms and conditions as may be considered suitable by the Board of Directors upto a limit of **Rs.1500 Crores (Rupees One Thousand Five Hundred Crores only)** in excess of the aggregate of the paid-up-capital

of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose."

"RESOLVED FURTHER THAT for the purpose of giving effect to this resolution the Board be and is hereby authorised to do all such acts, deeds, matters and things, as it may in its absolute discretion deem necessary, proper or desirable, and to settle any question, difficulty or doubt that may arise in this regard, to finalise and execute all such deeds, documents and writings as may be necessary, desirable or expedient as it may deem fit."

"RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers herein conferred to any Committee of Directors or Managing Director or Whole time Director or Director of the Company to give effect to the aforesaid resolution."

7. To consider and if thought fit, to pass, with or without modification(s) the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 293(1)(e) of the Companies Act, 1956 and other applicable provisions, if any, the consent of the Company be and is hereby accorded to contribute to charitable and other funds not directly related to the business of the Company or the welfare of its employees from time to time in any financial year to the extent of **Rs. 5.00 Crores (Rupees Five Crores Only)** or 5% of the Company's average net profit as determined in accordance with the provisions of section 349 & 350 of the Companies Act, 1956 during the three financial year immediately preceding, whichever is greater."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorised to contribute to any charitable and other funds not directly related to the business of the Company or the welfare of its employees from time to time subject to maximum of **Rs. 5.00 Crores (Rupees Five Crores Only)** per annum and to do all such acts, deeds and things as they may consider appropriate to make charitable contribution for and on behalf of the Company."

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

"RESOLVED THAT in accordance with the provisions of Section 81(1A) and other applicable provisions, if any, of the Companies Act, 1956 as also provisions of any their applicable laws, rules and regulations (including any amendments thereto or reenactments thereof for the time being in force) and the provisions in the Memorandum and Articles of Association of the Company and the Listing Agreements entered into by the Company with the Bombay Stock Exchange Limited (BSE) and National Stock Exchange of India Limited (NSE), where the Shares of the Company are listed and subject to such other approvals, consents, permissions and sanctions of the Government of India (GOI), Reserve Bank of India (R.B.I.), Securities and Exchange Board of India (SEBI) and all other appropriate and/or concerned authorities and subject to such conditions and modifications, as may be prescribed by any of them in granting such approvals, consents, permissions and sanctions which may be agreed to by the Board of Directors of the Company ("Board") (which term shall be deemed to include any Committee which the Board may have constituted or hereafter constitute for the time being exercising the powers conferred on the Board by this Resolution), the consent of the Company be and is hereby accorded to the Board of Directors to issue, offer and allot in international offerings any securities including, Global Depository Receipts (GDRs) and/or American Depository Receipts (ADRs) convertible into Equity Shares, Foreign Currency Convertible Bonds (FCCBs), Warrants, convertible into depository receipts with underlying Equity Shares/ Equity Shares (hereinafter referred to as "Securities") for an aggregate sum in Indian Rupees [INR] as may be deemed expedient by the Board or any other currency (ies) with such premium as may be appropriate, directly to Foreign/Non-resident investors (whether Institutions, Bodies corporate, Mutual Funds, Trusts, Foreign Institutional Investors, Banks and/or individuals, or otherwise and whether or not such investors are members, promoters, directors or their relatives/ associates, of the Company) without first offering to the existing share holders, through Public Issue(s), Private Placement(s), or a combination thereof at such time or times in such tranche or tranches, at such price or



prices, at such premium as may be appropriate to market price or prices in such manner and on such terms and conditions as may be decided by the Board, wherever necessary in consultation with the Lead Managers, Underwriters, Advisors or through the subsidiaries, including by way of Follow-on Public Offer (FPO) in Europe, USA or other countries, so as to enable the Company to get listed at any Stock Exchanges in India and/or Luxembourg/ London/ NASDAQ / New York Stock Exchanges/ Singapore Stock Exchange and/or any other Overseas Stock Exchanges."

"RESOLVED FURTHER THAT for the purpose of giving effect to the above Resolution, the Board of Directors be and is hereby authorised to do all such acts, deeds and things as it may, in its absolute discretion deem necessary or desirable and settle any question, difficulty or doubt that may arise in regard to the offer, issue and allotment of securities."

"RESOLVED FURTHER THAT the Board is hereby authorized to accept any modifications in the proposal as may be required by the authorities involved in such issues but subject to such conditions as the NSE/BSE/SEBI/GOI/RBI or such other appropriate authorities may impose at the time of their approval and as agreed to by the Board."

"RESOLVED FURTHER THAT without prejudice to the generality of the above, issue of securities in international offering may have all or any term or combination of terms in accordance with the international practices."

"RESOLVED FURTHER THAT the Board is also entitled to enter into and execute all such arrangements/ agreements with the Lead Managers/ Underwriters/ Guarantors/ Depository (ies)/ Custodians/ Advisors/ Registrars and all such agencies as may be involved including by way of payment of commission, brokerage, fees, expenses incurred in cash or otherwise in relation to the issue of securities and other expenses, if any, or the like."

"RESOLVED FURTHER THAT the Company and/or any agency or body authorised by the Company may issue FCCB/GDR/ADR/Rights Issue and/or other form of securities mentioned hereinabove representing the underlying Equity Shares issued by the Company in registered or bearer form with such features and attributes as are prevalent in capital markets for instruments of this nature and to provide for the tradability or free transferability thereof as per the prevailing practices and regulations in the capital markets."

"RESOLVED FURTHER THAT the Board be and is hereby authorised to finalise the mode and the terms of issue and allot such number of Equity Shares/ Securities as may be required to be issued and allotted upon conversion of any Securities referred to in paragraph(s) above as may be necessary in accordance with the terms of offering and all such shares will rank pari passu with the existing Equity Shares of the Company in all respects."

"RESOLVED FURTHER THAT the Board do open one or more bank accounts in the name of Company, including escrow accounts, special purpose accounts etc, in Indian currency or Foreign currency(ies) with such bank or banks in India and/or such foreign countries as may be required in connection with the aforesaid issue/offer, subject to requisite approvals from the RBI and other overseas regulatory authorities, if any."

"RESOLVED FURTHER THAT such of these securities as are not subscribed, may be disposed of by the Board in its absolute discretion in such manner as the Board may deem fit."

"RESOLVED FURTHER THAT for the purpose aforesaid, the Board be and is hereby authorised to settle all questions, difficulties or doubts that may arise in regard to the issue, offer or allotment of Securities and utilization of proceeds, as it may in its absolute discretion deem fit without being required to seek any further consent or approval of the Members or otherwise to the end and intent that the Members shall be deemed to have given their approval thereto expressly by the authority of this Resolution."

"RESOLVED FURTHER THAT the Board be and is hereby authorised to delegate all or any of the powers herein conferred in such manner as they deem fit."

"RESOLVED FURTHER THAT Mr. Kannan Vishwanath, Managing Director and Mr. Kashi Vishwanathan, Chairman of the Company, be and are hereby authorised to execute, sign, amend and deliver such documents as may be deemed necessary and approve any circulars, prospectuses/admission documents, supplementary prospectuses, advertisements, press announcements and verification notes, all in an approved form, written resolutions, letters required to be delivered to the relevant Stock Exchanges or other documents to be issued by or on behalf of, or requiring approval of, the Principal in connection with or incidental to the Offering, the Publication or the Admission and all deeds, documents and other instruments whatsoever which are necessary, desirable or expedient in connection with the Offering, the Publication or the Admission and to do all other acts and things whatsoever which may be necessary, desirable or expedient to be done by the Principal in connection with the Offering, the Publication or the Admission."

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

"RESOLVED THAT pursuant to the provisions of Section 81(1A) and all other applicable provisions, if any, of the Companies Act, 1956 and any other laws, rules and regulations (including any amendments thereto or re-enactments thereof for the time being in force) as may be applicable and subject to the provisions of the Memorandum and Articles of Association of the Company and subject to such approvals, consents, permissions and sanctions of such statutory and/or regulatory authorities, including of the Stock Exchanges in terms of the Listing Agreements entered into by the Company with the Stock Exchanges where the shares of the Company are listed, as may be applicable, and subject to such conditions and modifications as may be prescribed by any of them in granting such approvals, consents, permissions and sanctions which may be agreed to by the Board of Directors of the Company (the **'Board'** which term shall include any Committee which the Board of Directors may have constituted or may hereafter constitute for the time being for exercising the powers conferred on the Board of Directors by this Resolution) and pursuant to the provisions of the SEBI Guidelines for Qualified Institutions Placement (**"QIP"**) under Chapter VIII of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 for the time being in force, whether or not such Qualified Institutional Buyers (**"QIB"**) are members of the Company, the consent of the members be and is hereby accorded to the Board to create, offer, issue and allot in one or more placements/tranches to QIBs as defined under Chapter VIII of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 [hereinafter referred to as the said Regulations] for the time being in force, equity shares and/or fully convertible debentures and/or partly convertible debentures and/or non-convertible debentures with warrants, and/or any securities (other than warrants), which are convertible into or exchangeable with equity shares at a later date (the **"Securities"**) at such time or times as the Board may hereafter decide and at a price to be determined by the Board in accordance with said Regulations for the time being in force, provided that the issue of Securities as aforesaid shall not result in increase of the issued subscribed and paid-up capital of the Company by more than 25% (twenty five per cent) of the then post-issue issued, subscribed and paid-up equity share capital of the Company;

RESOLVED FURTHER THAT in accordance with Clause 86 (1) (a) of Chapter VIII of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009, for the time being in force, a minimum of 10% of the Securities issued pursuant to said guidelines shall be allotted to mutual funds and if no mutual fund is agreeable to take up the minimum portion or any part thereof, then such minimum portion or part thereof may be allotted to other QIBs;

RESOLVED FURTHER THAT the "relevant date" for pricing of the Securities, under the QIP as per the Clause 81(C) of Chapter VIII of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009, for determination of minimum price for the issue of the Securities and/or shares arising out of conversion of Securities will be the date of the meeting in which the Board decides to open the proposed issue of Securities, or, in case of Securities which are convertible or exchangeable with equity shares at a later



date, the date on which the holder of Securities becomes entitled to apply for equity shares, as the Board may, at the time of the decision to open the proposed issue decides, provided that any such conversion/exchange shall occur not later than 60 (sixty) months from date of allotment of the Securities;

RESOLVED FURTHER THAT the Board be and is hereby authorized to appoint and enter into and execute all such arrangements/agreements, as the case may be, with any merchant bankers/advisors/registrars and all such agencies/ intermediaries as may be required including payment to such agencies/intermediaries of commission, brokerage, fees, remuneration for their services and expenses incurred in relation to the issue of Securities and also to seek listing of such Securities on the Stock Exchanges where the Company's shares are listed;

RESOLVED FURTHER THAT the Board be and is hereby authorized to finalise the mode and the terms of issue of Securities under the QIP and all equity shares allotted under or arising from such QIP will rank pari passu in all respects with the existing equity shares of the Company;

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds, matters and things as it may at its absolute discretion deem necessary or desirable for such purpose with power to the Board to settle all questions, difficulties or doubts that may arise in regard to the issue, offer or allotment of Securities and utilization of proceeds including but without limitation to the creation, in such form and manner as may be required, of such mortgage/charge under Section 293(1)(a) of the said Act in respect of the aforesaid Securities either on pari passu basis or otherwise, as it may in its absolute discretion deem fit without being required to seek any further consent or approval of the Members or otherwise to the end and intent that the Members shall be deemed to have given their approval thereto expressly by the authority of this resolution;

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers herein conferred to any Committee of Directors or the Chairman or any other officers/authorized representatives of the Company to give effect to this resolution."

For and on behalf of the Board of Directors

Place: Mumbai
Date: 25/08/2011

KANNAN VISHWANATH
MANAGING DIRECTOR

NOTES:

- i. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.
The proxy form should be lodged with the Company at its Registered Office at least 48 hours before the commencement of the Meeting.
- ii. The Register of Members and Share Transfer Books of the Company will remain closed from **Friday, 23rd September, 2011 to Friday, 30th September 2011** (both days inclusive.)
- iii. Members are requested to promptly notify any changes in their addresses to the Company at its Registered Office.
- iv. All documents referred to in the Notice are open for inspection at the Registered Office of the Company during office hours on all days except Sunday & public holidays between 11.00 a.m. and 1.00 p.m. up to the date of Annual General Meeting.
- v. For convenience of Members, an attendance slip is annexed to the proxy form. Members are requested to affix their signature at the space provided and hand over the attendance slips at the place of Meeting. The proxy of a Member should mark on the attendance slip as 'proxy'.
- vi. IF THE MEMBERS HAVE ANY QUERIES ON THE AUDITED ACCOUNTS, DIRECTORS' REPORT & AUDITOR'S REPORT, THE SAME SHOULD BE FORWARDED TO THE COMPANY IN WRITING AT IT REGISTERED OFFICE AT LEAST 10 DAYS BEFORE THE MEETING SO THAT THE SAME CAN BE REPLIED AT THE TIME OF ANNUAL GENERAL MEETING TO THE MEMBERS' SATISFACTION.
- vii. Corporate Members intending to send their authorized representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Meeting.
- viii. Members are requested to bring their copies of the reports to Annual General Meeting.
- ix. Members holding shares in physical form in the same set of names under different ledger folios are requested to apply for consolidation of such folios along with share certificates to the Company.
- x. The relevant Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 is annexed hereto for the Special Businesses proposed by the Company.
- xi. In order to exercise strict control over the transfer documents, Members are requested to send the transfer documents/ correspondence, if any, directly to:

Link Intime India Private Limited

Registrar & Share Transfer Agent

Unit: Aanjaneya Lifecare Limited

C-13, Pannanlal Silk Mills Compound, L.B.S. Marg, Bhandup (W), Mumbai-400078

Tel: 022- 25963838 ; Fax: 022-25946969

Important Communication to Members:

The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the companies and has issued circulars stating that service of notice/documents including Annual Report can be sent by e-mail to its Members. To support this green initiative of the Government in full measure, Members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses, in respect of electronic holdings with the Depository through their concerned Depository Participants.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956:

Item No: 4

A Special Notice in terms of provisions of Section 190 of the Companies Act, 1956 read with Section 225 of the Act has been received from a Member of the Company for the appointment of new Auditors M/s Agarwal Desai & Shah, Chartered Accountants, Mumbai - partnership firm in place of the retiring auditors M/s Sunil Mistry & Co., Chartered Accountants, Mumbai. The Company has forthwith communicated to the retiring auditors of the Special Notice as received from Member of the Company. A written certificate has been obtained from partnership firm - M/s Agarwal Desai & Shah, Chartered Accountants, Mumbai to the effect that in case of their appointment as Statutory Auditors of the Company, the appointment will be in accordance with the limits prescribed under section 224(1B) of the Act.

Your Directors recommend the Resolution for your approval.

None of the Directors is concerned or interested in passing of this resolution.

Item No: 5



Mr. Paul Naythatil was appointed as an Additional Director of the Company on 7th July 2011. As per the provisions of Section 260 of the Act, he holds office only up to the date of the ensuing Annual General Meeting of the Company. The Company has received notice under Section 257 of the Act along with deposit of Rs.500/- from a Member of the Company signifying his intention to propose Mr. Paul Naythatil as a Director of the Company.

Mr. Paul Naythatil, aged 43 years is an Independent Director of our Company. Mr. Paul Naythatil holds a degree of Bachelor of Commerce and has over 20 years experience in conducting business operations in India and abroad.

Except Mr. Paul Naythatil, no other Director of the Company may be deemed to be interested in passing of said resolution.

The Board of Directors of the Company accordingly recommends the resolution for approval of Members.

Item No.6:

As the Members are aware that in view of the growing operations the Company may require additional funds for meeting its working capital need in the coming days, hence, it is proposed to authorize the Board to meet such future fund raising requirements, by way of various means as enumerated in aforesaid resolution.

But, Section 293(1)(d) of the Companies Act, 1956, requires the consent of the Members in the General Meeting for authorizing the Board of Directors to borrow monies (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business) in excess of the aggregate of the paid-up capital and free reserves. It is therefore recommended to enhance the borrowing powers of the Board of Directors upto Rs.1500.00 Crores (Rupees One Thousand Five Hundred Crores Only).

The Board of Directors accordingly, recommend the passing of this Ordinary Resolution.

None of the Directors of the Company is concerned or interested in the said resolution.

Item No.7:

As the Members are aware that the corporates are often called upon to fulfill certain social responsibilities for the social welfare and philanthropic work of charitable organizations, and keeping in view its social commitment, it is proposed to make certain contributions/donations and other payments to the institutions, organisations, trusts, companies or other persons, not directly relating to the business of the Company or the welfare of the employees, from time to time, in any financial year to the extent of Rs. 5.00 Crores (Rupees Five Crores Only) or 5% of the Company's average net profit as determined in accordance with the provisions of section 349 & 350 of the Companies Act, 1956 during the three financial years immediately preceding, whichever is greater.

Your Directors recommend passing of the resolution as set out in the Notice, empowering the Board of Directors to make necessary charitable contribution.

None of the Directors are interested or concerned in passing of the said resolution for the charitable contribution, if any, made to charitable trust, etc.

The Board of Directors of the Company accordingly recommends the resolution for approval of Members.

Item No.8:

The Board of Directors of the Company proposes to authorize the Company to raise funds for any future expansion plans and to consolidate the position in the existing markets by executing fast track orders and make inroads into new markets. Thus, your Board proposes to offer securities of the Company in the International Markets in form of Foreign Currency Convertible Bonds (FCCB), Global Depository Receipts (GDRS) and/or American Depository Receipts (ADRS) and Rights Issue for an aggregate sum as may be deemed expedient by the Board in coming time. The securities offered in the said issue are proposed to be listed at such stock exchanges in India and abroad as may be beneficial to the Company.

None of the Directors of the Company is concerned or interested in the resolution.

The Board of Directors of the Company accordingly recommends the resolution for approval of Members.

Item No.9:

The Company in order to enhance its global competitiveness and increase its ability to compete with peer groups in

domestic and international markets need to strengthen its financial position by augmenting long term resources. To achieve significant competitive advantages through easy access to large amounts of domestic and international capital with extended maturities at optimal costs, the Company may need to issue securities in domestic and international markets as contemplated in the Special Resolution and as may be decided by the Board and found to be expedient and in the interest of the Company. The Company may raise funds by one or more sources, including, Qualified Institutional Placements.

None of the Directors of the Company is concerned or interested in the resolution.

The Board of Directors of the Company accordingly recommends the resolution for approval of Members.

For and on behalf of the Board of Directors

Place: Mumbai
Date: 25/08/2011

KANNAN VISHWANATH
MANAGING DIRECTOR

**Details of Directors seeking appointment / re-appointment at the Annual General Meeting
(In pursuance of clause 49 of the Listing Agreement)**

Name of Director	Age	Nature of expertise	Qualifications	Other Directorship	Membership in the committees of other Public Companies	Share holding
Dr. Ullooppee Badade	41	General administrative activities, personnel managements, inventory management and Gen Medicine.	M.B.B.S. and M.B.A. in Hospital Administration	1	2	NIL
Mr. Balkrishna Parab	39	10 years in the field of creative arts and experience in website designing, online promotion, developing designs etc.	B.Com	1	2	NIL
Mr. Paul Naythatil	43	Over 20 years experience in conducting business operations in India and abroad	B.Com	NIL	NIL	NIL

AANJANEYA LIFECARE LIMITED

Regd. Office: Aanjaneya House, No. 34, Postal Colony, Chembur, Mumbai - 400 071.

Attendance Slip

Shareholders attending the Meeting in person or by Proxy are requested to complete the attendance slip and hand it over at the entrance of the meeting hall.

I hereby record my presence at the 5th ANNUAL GENERAL MEETING of the Company at Acres Club, 411-B, Hemu Kalani Marg, Sindhi Society, Chembur, Mumbai – 400 071 on **Friday, the 30th SEPTEMBER, 2011** at 11.00 A.M.

Full name of the Shareholder
(In block Capital)

Signature

Folio No.: _____ / DP ID No*. _____ & Client ID No.* _____ *Applicable of members holding shares in electronic form.

Full name of Proxy
(In block capitals)

Signature

Note: Shareholders/Proxy holder desiring to attend the meeting should bring his copy of the Annual Report for reference at the meeting



AANJANEYA LIFECARE LIMITED

Regd. Office: Aanjaneya House, No. 34, Postal Colony, Chembur, Mumbai - 400 071.

Proxy

I/We _____ of _____, in the city / district of _____ being a Member/Members of the above named Company, hereby appoint _____ of _____ in the city/district of _____ or failing him _____ of _____ in the city/district of _____ as my/our Proxy to attend and vote for me/us and on my our behalf at the 5th ANNUAL GENERAL MEETING of the Company at Acres Club, 411 – B, Hemu Kalani Marg, Sindhi Society, Chembur, Mumbai – 400 071 on **Friday, the 30th September, 2011** at 11.00 A.M. and at any adjourned thereof.

Signed this _____ day of _____ 2011

Folio No.: _____ / DP ID No*. _____ & Client ID No.* _____ *Applicable of members holding shares in electronic form.

No. of Shares-----

This form is to be used @ in favour of of the resolution. Unless otherwise instructed, the Proxy will act as he thinks fit
@ against

@ Strike out whichever is not desired

Affix Re.1/-
Revenue Stamp
only

Note: (i) The Proxy must be returned so as to reach the Registered Office of the Company at **Aanjaneya House, No. 34, Postal Colony, Chembur, Mumbai - 400 071**, not less than FORTY – EIGHT HOURS before the time for holding the aforesaid meeting.
(ii) Those members who have multiple folios with different joint holders may use copies of this Attendance Slip/Proxy.