

DIRECTORS' REPORT

Dear Shareholders,

The Directors of your Company have pleasure in presenting to you the Twenty Fourth Annual Report on the business & operations of the company and Audited Statement of Accounts for the year ended 31st March, 2009 along with the Auditor's Report thereon.

FINANCIAL RESULTS

The Financial Results of the Company for the year ended 31st March 2009 are as follows:

Particulars	(Rs. in Lakh)	
	Year ended 31.03.2009	Year ended 31.03.2008
Gross Sales	409.94	92.66
Profit before Depreciation & Interest	41.52	8.00
Interest	0.02	NIL
Depreciation	0.09	NIL
Profit/(Loss) before Tax	41.41	8.00
Excess Provision for Income Tax of previous year written back	-	0.13
Provision of Gratuity	0.24	0.01
Provision for Income Tax	4.39	0.33
Provision for Deferred Tax	-	(6.84)
Net Profit/(Loss) after Tax	36.78	0.93
Profit/Loss brought forward	202.35	(203.28)
Amount Available for Appropriation	(165.57)	(202.35)
Appropriations		
Transfer to General Reserve	NIL	NIL
Balance carried to Balance Sheet	(165.57)	(202.35)

OPERATIONS AND PERFORMANCE

During 2008-09, your Company made a strategic entry with its generic formulations in the premium markets of Iraq and consolidated its strengths in the less regulated and emerging markets. This was done while striving for leadership position in the domestic market. The total export sales of the Company were Rs 246.72 Lacs while the domestic sales were Rs 163.22 Lacs.

All these positive developments helped your Company to improve its top and bottom line. It has placed huge orders for manufacture and hence the operating profit was much higher over the previous year. Revenues for the year at Rs. 409.94 lacs were higher by 442.41%. Brawn Pharmaceuticals Ltd. is effectively facing the challenges of entering into severely competitive markets, prevailing high product prices. The strengths of the Company's ability to manage resources from end-to-end and capacity to deliver what the customer wants at affordable prices, is helping the company to overcome the constraints.

Your Company sees big potential with its large basket of regulatory approved products in the regulated markets.

The Company had massive trading activities during the year. However the company has obtained drug license on loan license basis of getting its products manufactured from other parties. Also, the pipeline of new products being developed by the team in R&D would add to the offers to the market in the future.

DIVIDEND

In view of profits earned by the Company, your Directors regret their inability to recommend any dividend for the year 2008-2009 to cover up the losses of the past years.

DIRECTORS

After the last Annual General Meeting, Mr. Bal Kishan Sharma was appointed as additional director. In terms of the provisions of the Companies Act, 1956, they hold office until the date of the ensuing Annual General Meeting. His appointment as an ordinary Director of the Company is placed before the Members for consideration. The Board recommends the resolution(s) for adoption by the members.

After the last Annual General Meeting, Mr Trilok Chand Sharma resigned from the Board. The Board takes this opportunity to place its gratitude for services rendered by them.

Mr. Brij Raj Gupta and Mr. Mahesh Kumar Nanchal retire by rotation and being eligible offers themselves for re-appointment. Directors recommend their re-appointment.

AUDITORS

The Statutory Auditors, M/s. Satinder Saini & Co., Chartered Accountants, New Delhi retire at the forthcoming Annual General Meeting and offer themselves for re-appointment as the Auditors' of the company.

As required under Section 224 (1B) of the Companies Act, 1956, the company has obtained from them a confirmation to the effect that their appointment, if made, would be in conformity with the limits prescribed in the said section.

AUDITORS' REPORT

Observations to the Auditors when read together with the relevant notes to the accounts and accounting policies are self-explanatory.

DEVELOPEMENT

One of the main objectives of the company in the current financial year is to improve and develop good export market.

DIRECTORS' RESPONSIBILITY STATEMENT

The Board of Directors of your Company state:

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

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

Particulars in respect of conservation of energy, technology absorption and other particulars required under Section 217 (1)(e) of The Companies Act, 1956 read with the Companies (Disclosure of Particulars in the report of the Board of Directors) Rules, 1988 is enclosed as Annexure 'A' and forms part of this report.

CORPORATE GOVERNANCE

Your Company believes in conducting the business with due compliance of all the applicable laws, rules and regulations. The Company has duly implemented the system of corporate governance as per the requirements of the Listing Agreement. Detail report appears in the Annexure forming part of this report.

EMPLOYEES RELATION

Your Directors wish to express their sincere appreciation of the efficient services rendered by the employees at all levels throughout the company.

PARTICULARS OF EMPLOYEES

None of the Employee of the Company has received remuneration above the limits as prescribed in Sub-section 2A of Section 217 of the Companies Act, 1956 read with Companies (Particular of Employees) Rules, 1975.

FIXED DEPOSIT

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

ACKNOWLEDGEMENT

Your Directors wish to place on record their gratitude to the Government Authorities, Company's Bankers, Dealers, Customers and its Business Associates for their valued support extended to the company.

For and on behalf of the Board of Directors

PLACE: New Delhi
DATE: 02.06.2009

Sd/-
(B.R. Gupta)
CHAIRMAN-CUM-MANAGING DIRECTOR

ANNEXURE TO THE DIRECTORS' REPORT

STATEMENT OF PARTICULARS UNDER THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988

(A) Conservation of Energy

- (i) Energy Conservation Measure taken
- (ii)
 - 1) Preventive maintenance of equipment to seal energy wastages. N.A.
 - 2) Regular day to day monitoring of energy Consumption items. N.A.
- (iii) Total and per unit energy consumption
The figure-A(see Rule-A
Form-A (see Rule-2)
Power and fuel consumption N.A.

(B) Technology absorption N.A.

(C) Expenditure on R&D N.A.

(D) Foreign Exchange earnings Rs.246.72 Lac

(Rs. In Lacs)

		Year ended 31 st March 2009	Year ended 31 st March 2008
a)	Total foreign Exchange earned	246.72	-
b)	Total foreign Exchange used on Import of raw materials, spare parts and capital goods	-	-
c)	Expenditure in Foreign Currencies for travels, subscription, consumables stores, goods for resale, commission on export sales etc.	-	-
d)	Remittance during the year in foreign currency on account of dividend.	-	-

For and on behalf of the Board of Directors

PLACE: New Delhi

DATE: 02.06.2009

Sd/-

(B.R. Gupta)

CHAIRMAN-CUM-MANAGING DIRECTOR

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

OUTLOOK

The pharmaceutical industry is core to the Indian economy, a battle ground of major global majors in the pharmaceutical sectors. The industry is increasingly responding to the need to reduce various vulnerable diseases and enhance safety through vast development of life savings drugs and medicines. Its growth is being catalysed by a significant gap between demand and supply. As a result, with increasing competition, consumer preference will become paramount and product differentiation is expected to play a major role in success.

FINANCIAL AND OPERATIONAL PERFORMANCE

The same has been discussed in the Board of Directors' Report.

HUMAN RESOURCES

Adequate facilities and opportunities are also being provided to the staffs to update themselves in the fast changing era of technologies.

COMPANY PERFORMANCE

The company could not leverage its rich technological and production strengths during the period under review due to various constraints. Even in this challenging situation the Company strives to regain its lost vigour and vitality.

INTERNAL CONTROL & ADEQUACY

Your company has a proper and adequate system of internal control. Your company also ensures that transactions are authorized, recorded and reported correctly.

PROSPECTS

In the wake of the ongoing economic reforms, the company is expected to make a strong showing through its current emphasis on high value added jobs, which would require considerable reinforcement in the areas of pharmaceuticals and image building as a reliable supplier with quality assurance.

CAUTIONARY NOTE

The MD&A, detailing the Company's objectives, projections, estimates and expectations, may contain 'forward looking statements' within the meaning of applicable laws and regulations. These statements are based on certain assumptions and expectations of future events. The actual results may differ substantially or materially from those expressed or implied. The company assumes no responsibility to publicly amend, modify or revise any forward working statements, on the basis of any subsequent developments, information or events.

REPORT ON CORPORATE GOVERNANCE

The Company continues to implement the code of Corporate Governance during the year under reference in terms of clause 49 of the Listing Agreement with Stock Exchanges.

1. BRIEF NOTE ON COMPANY'S PHILOSOPHY

Corporate Governance primarily involves transparency, full disclosure, independent monitoring of the state of affairs and being fair to all stakeholders. A good Corporate Governance lead to long term shareholders value and enhances interest of other stakeholders. It brings in to focus the fiduciary and trusteeship role of the Board to align and direct the actions of the organization towards creating wealth and shareholder value.

The Company has always believed in good Corporate Governance and Standard Corporate Practice. The company has always remained prompt and regular in discharging its statutory obligations and duties.

The Board of Directors has constituted various committees such as Audit Committee, Remuneration Committee and Shareholders'/Investors' Grievances Committee. The meetings of the Board and Committees thereof have been held as frequently as required for proper and effective control over the affairs of the Company. All the directors, attending the Board and Committee Meetings, actively participate in the proceedings.

2. BOARD OF DIRECTORS

The Board of Directors comprises one Chairman-cum-Managing Director, One Non Executive Promoter Director, four Non Executive Independent Directors.

During the year, 11 Board Meetings were held.

The particulars regarding composition of the Board of Directors, particulars of Director's, other directorship of other public limited Companies and their attendance in the Meetings held during the year under review are given hereunder:

Name of the Directors & Category of Directorship		Directorship in other public limited companies		Committees Membership held in Other public Companies		No. of Board Meetings during the year		Attend ed Last AGM	No. of share held in the company
		Total	As Chairman	Total	Chairman	Held	Attend ed		
B.R. Gupta	Chairman & M.D	3	1	NIL	NIL	11	11	No	2,77,350
Brij Bala Gupta	Non-Executive Promoter Director	1	NIL	NIL	NIL	11	11	Yes	89,600
Urmila Gupta	Non-Executive Director	1	NIL	NIL	NIL	11	1	Yes	NIL
Manohar Lal	Non-Executive Director	NIL	NIL	NIL	NIL	11	11	Yes	NIL
Mahesh Kumar Nanchal	Non-Executive Director	NIL	NIL	NIL	NIL	11	11	Yes	3,100
Trilok Chand Sharma	Non-Executive Director	NIL	NIL	NIL	NIL	11	11	Yes	NIL

3. COMMITTEE OF THE BOARD

The Board of Directors have constituted the following Committees with adequate delegation of powers.

A. Audit Committee

Composition of Audit Committee meets all the criteria as prescribed by law. The committee comprises of three Directors, who are Non Executive & Independent. It met four times during the year 2008-09 on 2nd April, 2008; 14th June, 2008; 20th September, 2008 and 23rd January, 2009.

The details of the meeting of Audit Committee attended by the members are as under:-

Members of Audit Committee	Category	Meetings held	Meetings attended
Mr. Manohar Lal	Chairman	4	4
Mr. Mahesh Kumar Nanchal.	Member	4	4
Mr. Trilok Chand Sharma	Member	4	4

Since Mr. Trilok Chand Sharma has resigned as director, the Audit Committee is reconstituted and comprises of following Directors.

Members	Category
Mr. Manohar Lal	Chairman
Mr. Mahesh Kumar Nanchal	Member
Mr. Bal Kishan Sharma	Member

B. Share Transfer & Shareholders/Investors' Grievance Committee

The Share Transfer & Shareholders/Investors' Grievance Committee of the Company looks into the matters like transfer/transmission, issuance of duplicate shares, non-receipt of Annual Reports and declared dividend etc. and investigate the investor's complaints and take necessary steps for redressal thereof.

The details of the meeting of Share Transfer & Shareholders/Investors' Grievance Committee attended by the members are as under:-

Members	Category	Meetings held	Meetings attended
Mr. Manohar Lal	Chairman	6	6
Mr. Mahesh Kumar Nanchal.	Member	6	6
Mr. Trilok Chand Sharma	Member	6	6

Since Mr. Trilok Chand Sharma has resigned as director, the Share Transfer & Shareholders/Investors' Grievance Committee is reconstituted and comprises of following Directors.

Members	Category
Mr. Manohar Lal	Chairman
Mr. Mahesh Kumar Nanchal	Member
Mr. Bal Kishan Sharma	Member

C. Remuneration Committee

Remuneration Committee of the Board of Directors recommends/reviews the remuneration package of Managing Director & Whole Time Directors. The Remuneration Committee comprises of following Directors.

Members	Category
Mr. Manohar Lal	Chairman
Mr. Mahesh Kumar Nanchal	Member
Mr. Bal Kishan Sharma	Member

6. General Body Meeting

(i) Location and time where last three AGMs were held:

Year	Date	Location	Time
2007-08	29 th September, 2008	Executive Club, 439, Vill-Shahoorpur, P.O., Fatehpur Beri, N.D-110074	9.30 a.m.
2006-07	29 th September, 2007	Executive Club, 439, Vill-Shahoorpur, P.O., Fatehpur Beri, N.D-110074	9.30 a.m.
2005-06	30 th September, 2006	Executive Club, 439, Vill-Shahoorpur, P.O., Fatehpur Beri, N.D-110074	9.30 a.m.

- (ii) Special resolutions passed in the previous 3 AGMs : No special resolutions passed in the previous 3 AGMs
- (iii) No Special resolution is proposed to be conducted through Postal Ballot.

7. Means of Communication

1. Quarterly Results: Dissemination through publication in newspaper as required under Listing Agreement.
2. Newspapers wherein results normally published –Vir Arjun (in Hindi) and The Pioneer (in English)

8. GENERAL SHAREHOLDERS INFORMATION

(i) Details of Forthcoming Annual General Meeting

Date	26 th September, 2009
Time	9.30 A.M.
Venue	The Executive Club”, 439, Vill – Shahoorpur, P.O. – Fatehpur Beri, New Delhi-110074

Financial year	2008-09
Date of Book Closure	22-09-2009 to 26-09-2009
Listing on Stock Exchanges	The Stock Exchange, Mumbai; The Delhi Stock Exchange Association Ltd.
Registrar and Share Transfer Agent	M/s. RCMC Share Registry Private Limited B-106, Sector-2, Noida,-201301 (U.P.)
Dematerialisation of Shares	986358 shares i.e. 32.87% (As on 31.03.2009)
Address for Correspondence	4/4B, Asaf Ali Road, Old Delhi Stock Exchange Building, New Delhi-110002, Phone: 32911528, 32911529, Fax: 011-23275208

(ii) Distribution of Shareholding as on 30.06.2008

Shareholding of value of Rs.	Shareholders		Share holdings		
	Number	% to total	Shares	Amount	% to total
UPTO TO 5000	6684	93.93	836479	8364790.00	27.88
5001 TO 10000	210	2.95	176173	1761730.00	5.87
10001 TO 20000	130	1.83	218276	2182760.00	7.28
20001 TO 30000	29	0.41	77530	775300.00	2.58
30001 TO 40000	12	0.17	44055	440550.00	1.47
40001 TO 50000	13	0.18	61536	615360.00	2.05
50001 TO 100000	13	0.18	96482	964820.00	3.22
100001 and Above	25	0.35	1489769	14897690.00	49.65
** G Total	7116	100.00	3000300	30003000.00	100.00

Category code (D)	Category of shareholder (II)	Number of shareholders (III)	Total Number of Shares (IV)	Number of shares held in dematerialized form (V)	Total Shareholding as a percentage of total no. of shares		Shares Pledged or otherwise encumbered	
					As a percentage of (A+B) (VI)	As a percentage of (A+B+C) (VII)	No. of shares (VIII)	As a percentage (IX)=(VIII)/(IV)*100
(A)	Shareholding of promoter and promoter Group							
(1)	Indian							
(a)	INDIVIDUALS/HUF	59	12,14,200	7,400	40.47	40.47	0	0.00
(b)	CENTRAL GOVERNMENT/STATE GOVERNMENT	0	0	0	0.00	0.00	0	0.00
(c)	BODIES CORPORATE	1	68,100	0	2.27	2.27	0	0.00
(d)	FINANCIAL INSTITUTIONS/BANKS	0	0	0	0.00	0.00	0	0.00
(e)	ANY OTHER (SPECIFY)- DIRECTORS & RELATIVES	0	0	0	0.00	0.00	0	0.00
	Sub-Total (A) (1)	60	12,82,300	7,400	42.74	42.74	0	0.00
(2)	Foreign							
(a)	INDIVIDUALS(NRI)/FOREIGN INDIVIDUALS	0	0	0	0.00	0.00	0	0.00
(b)	BODIES CORPORATE	0	0	0	0.00	0.00	0	0.00
(c)	INSTITUTIONS	0	0	0	0.00	0.00	0	0.00
(d)	ANY OTHER (SPECIFY)	0	0	0	0.00	0.00	0	0.00
	Sub-Total (A) (2)	0	0	0	0.00	0.00	0	0.00
	Total (A)	60	12,82,300	7,400	42.74	42.74	0	0.00
(B)	Public shareholding							
(1)	Institutions							
(a)	MUTUAL FUNDS/UTI	5	18,800	0	0.63	0.63	0	0.00
(b)	FINANCIAL INSTITUTIONS/BANKS	0	0	0	0.00	0.00	0	0.00
(c)	CENTRAL GOVERNMENT/STATE GOVERNMENT	0	0	0	0.00	0.00	0	0.00
(d)	VENTURE CAPITAL FUND	0	0	0	0.00	0.00	0	0.00
(e)	INSURANCE COMPANIES	0	0	0	0.00	0.00	0	0.00
(f)	FOREIGN INSTITUTIONAL INVESTORS	0	0	0	0.00	0.00	0	0.00
(g)	FOREIGN VENTURE CAPITAL INVESTORS	0	0	0	0.00	0.00	0	0.00
(h)	ANY OTHER SPECIFY	0	0	0	0.00	0.00	0	0.00
	Sub-Total (B) (1)	5	18,800	0	0.63	0.63	0	0.00
(2)	Non-institutions							
(a)	BODIES CORPORATE	83	78,658	74,958	2.62	2.62	0	0.00
(b)	i) INDIVIDUALS -HOLD UPTO 1 LAKH (NOM VALUE)	6891	12,53,258	7,75,116	41.77	41.77	0	0.00
	ii) INDIVIDUALS -HOLD ABOVE 1 LAKH (NOM VALUE)	7	2,55,019	85,219	8.50	8.50	0	0.00
(c)	ANY OTHER (SPECIFY)- A) CLEARNG MEMBERS	21	14,272	14,272	0.48	0.48	0	0.00
	B) NON-RESIDENTS	49	97,993	32,293	3.27	3.27	0	0.00
	C) TRUST	0	0	0	0.00	0.00	0	0.00
	Sub-Total (B) (2)	7051	16,99,200	9,81,858	56.64	56.64	0	0.00
	Total (B)	7056	17,18,000	9,81,858	57.27	57.27	0	0.00

Category code (I)	Category of shareholder (II)	Number of shareholders (III)	Total Number of Shares (IV)	Number of shares held in dematerialized form (V)	Total Shareholding as a percentage of total no. of shares		Shares Pledged or otherwise encumbered	
					As a percentage of (A+B) (VI)	As a percentage of (A+B+C) (VII)	No. of shares (VIII)	As a percentage (IX)=(VIII)/(IV)*100
(C)	Shares held by Custodians and against which							
	Depository Receipts have been issued							
	SHARES HELD BY CUSTODIANS	0	0	0	0.00	0.00	0	0.00
	Sub-Total (C)	0	0	0	0.00	0.00	0	0.00
	Total (C)	0	0	0	0.00	0.00	0	0.00
	Grand-Total	7116	30,00,300	9,89,258	100.00	100.00	0	0.00

CERTIFICATE OF COMPLIANCE FROM A PRACTISING CHARTERED ACCOUNTANTS STIPULATED UNDER CLAUSE 49 OF THE LISTING AGREEMENT

To
The Members of
Brawn Pharmaceuticals Limited

We have examined the compliance of conditions of Corporate Governance by Brawn Pharmaceuticals Limited for the year ended on 31st March, 2009, as stipulated in Clause 49 by the Listing Agreement of the said Company with the Stock Exchanges.

The Compliance of conditions of Corporate Governance is the responsibility of the management. Our examination has been limited to a review of the procedures and implementations thereof, adopted by the company for ensuring the compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion of the financial statements of the Company.

We state that in respect of investor grievances received during the year ended 31st March, 2009, no investor grievances are pending for a period exceeding one month against the Company as per the records maintained by the Company.

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

In our opinion and to the best of our information and according to the explanations given to us, and the representations made by the directors and management, we certify that Company has generally complied with the condition of Corporate Governance as stipulated in Clause 49 of the above-mentioned Listing Agreement.

For Satinder Saini & Co
Chartered Accountants

Sd/-
(S.K.Saini)
Proprietor

Place: New Delhi
Date: 02.06.2009

M.No. 87357