



BLISS GVS PHARMA LTD.

25TH ANNUAL REPORT | 2009 - 10

| | |
|---|----|
| Notice | 2 |
| <hr/> | |
| Directors' Report | 7 |
| <hr/> | |
| Corporate Governance | 9 |
| <hr/> | |
| Auditors' Report | 16 |
| <hr/> | |
| Balance Sheet | 19 |
| <hr/> | |
| Profit & Loss Account | 20 |
| <hr/> | |
| Cash Flow Statement | 21 |
| <hr/> | |
| Schedules to Accounts | 22 |
| <hr/> | |
| Balance Sheet Abstract and General Business Profile | 35 |

BOARD OF DIRECTORS

| | |
|---------------------|---------------------|
| Govind G. Desai | Chairman |
| Shibroor N. Kamath | Managing Director |
| Gautam R. Ashra | Director |
| Mahendra N. Thakkar | Director |
| Satej M. Katekar | Director |
| Dr. Vibha N. Kamath | Whole Time Director |
| Shruti N. Kamath | Whole Time Director |

BANKERS

The Federal Bank Limited

AUDITORS

B. K. Khare & Co., Mumbai

REGISTRAR AND SHARE TRANSFER AGENT

Mondkar Computers Private Limited
21, Shakeel Niwas, Mahakali Caves Road,
Andheri (East), Mumbai - 400 093
Phone No : 91-22-2836 66 20

REGISTERED OFFICE

6/29-A, Udit Mittal Industrial Society
Andheri - Kurla Road,
Andheri (East), Mumbai - 400 059.
Phone No : 91-22-2850 53 87
E - Mail : info@blissgvspharma.com
Website : www.blissgvspharma.com

FACTORY

Plot No. 10, Village : Aliyali,
Palghar Taluka, Dist.Thane,
Maharashtra.

NOTICE

NOTICE is hereby given that the 25th Annual General Meeting of the members of M/s. Bliss GVS Pharma Ltd. will be held as under:

DAY : Tuesday

DATE : 3rd August 2010

TIME : 10.00 a.m.

VENUE: Hotel The Mirador,

New Link Road,

Andheri (East),

Mumbai - 400 099.

To transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Profit and Loss Account for the year ended 31st March, 2010, the Balance Sheet as at that date and the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Gautam R. Ashra who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint Auditors to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting, to authorize the Board of Directors to fix their remuneration.
4. To Confirm the declaration of dividend of 50%

SPECIAL BUSINESS:

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

“RESOLVED THAT in terms of Article 130 of the Articles of Association of the Company and pursuant to the provisions of Sections 198, 269, 309, 310, 310 and 311 read together with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, the Company hereby accords its consent and approval for the appointment of Dr. Vibha N. Kamath as Whole time Director of the Company for a period of three years with effect from 27th January, 2010 on terms and conditions including remuneration and perquisites as under:

1. **Salary:** Rs.3,00,000 – 30, 000 - 4,00,000/- per annum.
2. **Perquisites:** The Wholetime Director shall be entitled to the following perquisites provided that the total value of the perquisites shall be restricted to an amount equal to the annual salary i.e. Rs. 2,00,000 – 20,000 - 3,00,000 /- per annum or actuals, whichever is lower.
 - 2.1 **Housing:** The Wholetime Director shall be entitled for House rent allowance of Rs.60,000/- per annum.
 - 2.2 **Leave Travel Concession & Medical Reimbursement:**
Expenses incurred for the appointee and his family subject to a ceiling of Rs.25, 000/- in a year.
Explanation: For the purposes of a “family”, family means the spouse, dependent children and dependent parents of the appointee.
 - 2.3 **Special Allowances:** 1,15,000/- per annum
 - 2.4 **Provision of Car** for use in Company's business and telephone at residence will not be considered as Perquisites. Telephone at residence reimbursed for rental and business calls
 - 2.5 **Reimbursement of actual expenses** for books and periodicals purchased for purposes of carrying-on her duties and reimbursement of entertainment expenses actually and properly incurred in the course of the Company's business.
 - 2.6 **The Director shall not be paid any sitting fees** for attending the meetings of the Board or any committee thereof.
3. **Encashment of leave:** As per company's rules encashment of leave, if any, in accordance with the rules of the Company shall be allowed only at the time of retirement or at the end of tenure as the case may be and it will not be included in the computation of ceiling for perquisites.
4. **Gratuity & Provident Fund:** Payable in accordance with as per applicable law.

RESOLVED FURTHER THAT in the event of loss or inadequacy of profits in any financial year during the period of Dr. Vibha N. Kamath appointment, she will be paid or provided the salary, the allowances, and the perquisites as set out in the foregoing part of this resolution as the 'minimum remuneration' notwithstanding the fact that such remuneration is in excess of the limits set-out in Sections 198 and 309 of the Companies Act, 1956 or in Section II of Part II of Schedule XIII to the Companies Act, 1956 and necessary approvals will be sought from Central Government.”

RESOLVED FURTHER THAT an agreement, covering the above terms, be executed with Dr. Vibha N. Kamath under the Common Seal of the Company to be affixed thereto in accordance with the Articles of Association of the Company.

RESOLVED FURTHER THAT Dr. Vibha N. Kamath (hereinafter called Director) shall carry out such functions, exercise such powers and perform such duties as the Board of Directors of the Company (hereinafter called “The Board”) shall from time to time determine and entrust to her. Subject to the superintendence, control and direction of the Board, the Director shall have the general control and be responsible for the day to day business of the Company with powers to enter into contracts on

behalf of the Company in the ordinary course of business and to do and perform all other acts and things which in the ordinary course of such business she may consider necessary or proper in the best interests of the Company.

The Director shall report to the Board and shall be responsible for all her actions to the Board. It is hereby expressly agreed and declared that nothing herein contained shall vest or shall be deemed to be intended to vest in the Director, the management of the whole or substantially the whole of the affairs of the Company.

AND RESOLVED FURTHER THAT Mr. Gautam R. Ashra - Director and Mr. Ramesh Mishra be and are hereby authorised severally as required under section 192 of the Companies Act, 1956 to file the necessary returns with the Registrar of Companies and other authorities, if any, and take further steps as may be necessary and proper regarding the appointment of Dr. Vibha. N. Kamath as aforesaid and ratify this resolution at the next Board Meeting.”

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

RE-APPOINTMENT AND REVISION OF SALARY OF MR. S. N. KAMATH AS MANAGING DIRECTOR OF THE COMPANY

“RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, 310 and 311 read together with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, the Company hereby accords its consent the re-appointment of Mr. S.N. Kamath as Managing Director of the Company for a period of three years with effect from 1st April, 2010 on terms and conditions including remuneration and perquisites as under:

The Managing Director (hereinafter called Director) shall carry out such functions, exercise such powers and perform such duties as the Board of Directors of the Company (hereinafter called “The Board”) shall from time to time determine and entrust to him. Subject to the superintendence, control and direction of the Board, the Managing Director shall have the general control and be responsible for the day to day business of the Company with powers to enter into contracts on behalf of the Company in the ordinary course of business and to do and perform all other acts and things which in the ordinary course of such business he may consider necessary or proper in the best interests of the Company.

The Managing Director shall report to the Board and shall be responsible for all his actions to the Board. It is hereby expressly agreed and declared that nothing herein contained shall vest or shall be deemed to be intended to vest in the Director, the management of the whole or substantially the whole of the affairs of the Company.

1. Salary: Rs. 30,00,000 – 3,00,000 - 33,00,000 /-per annum
2. **Perquisites:** The Managing Director shall be entitled to the following perquisites provided that the total value of the perquisites shall be restricted to an amount equal to the annual salary i.e. Rs. 30,00,000 – 3,00,000 - 33,00,000/- per annum or actual, whichever is lower.
- 2.1 **Housing:** the Managing Director shall be entitled for House rent allowance of Rs. 8,40,000 - 84,000 -10,00,000 per annum
- 2.2 **Leave Travel & Medical Reimbursement:**
Expenses incurred for the appointee and his family subject to a ceiling of Rs. 2,00,000 in a year.
Explanation: For the purposes of a “family”, family means the spouse, dependent children and dependent parents of the appointee.
- 2.3 **Special Allowances** Rs.19,60,000/- per annum
- 2.4 Provision of Car for use in Company's business and telephone at residence will not be considered as Perquisites. Telephone at residence reimbursed for rental and business calls
- 2.5 Reimbursement of actual expenses for books and periodicals purchased for purposes of carrying-on his duties and reimbursement of entertainment expenses actually and properly incurred in the course of the Company's business.
- 2.6 The Director shall not be paid any sitting fees for attending the meetings of the Board or any committee thereof.
- 3 **Encashment of leave:** As per company's rules. Encashment of leave, if any, in accordance with the rules of the Company shall be allowed only at the time of retirement or at the end of tenure as the case may be and it will not be included in the computation of ceiling for perquisites.
- 4 **Gratuity & Provident Fund:-** Payable in accordance with as per applicable law.

RESOLVED FURTHER that in the event of loss or inadequacy of profits in any financial year during the period of Mr. S.N. Kamath's appointment, he will be paid or provided the salary, the allowances, and the perquisites as set out in the foregoing part of this resolution as the 'minimum remuneration' notwithstanding the fact that such remuneration is in excess of the limits set-out in Sections 198 , 309 ,310 & 311 of the Companies Act, 1956 or in Section II of Part II of Schedule XIII to the Companies Act, 1956 and necessary approvals will be sought from Central Government.”

RESOLVED FURTHER that an agreement, covering the above terms, be executed with Mr. S.N. Kamath under the Common Seal of the Company to be affixed thereto in accordance with the Articles of Association of the Company.

7. To consider and if thought fit pass with or without modification the following Resolutions as a Ordinary Resolution :

RE-APPOINTMENT AND REVISION OF SALARY OF MISS. SHRUTI N. KAMATH AS WHOLETIME DIRECTOR OF THE COMPANY

“RESOLVED THAT pursuant to the provisions of Sections 198,269, 309, 310, 310 and 311 read together with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, the Company hereby accords its consent and approval to the re-appointment of Miss. Shruti N. Kamath as Whole Time Director of the Company for a period of three years with effect from 1st April, 2010 on terms and conditions including remuneration and perquisites as under:

The Director (hereinafter called Director) shall carry out such functions, exercise such powers and perform such duties as the Board of Directors of the Company (hereinafter called “The Board”) shall from time to time determine and entrust to her. Subject to the superintendence, control and direction of the Board, the Director shall have the general control and be responsible for the day to day business of the Company with powers to enter into contracts on behalf of the Company in the ordinary course of business and to do and perform all other acts and things which in the ordinary course of such business she may consider necessary or proper in the best interests of the Company.

The Director shall report to the Board and shall be responsible for all her actions to the Board. It is hereby expressly agreed and declared that nothing herein contained shall vest or shall be deemed to be intended to vest in the Director, the management of the whole or substantially the whole of the affairs of the Company.

1. **Salary:** Rs. 5,00,000 – 50,000 - 6,00,000/-per annum
2. **Perquisites:** The Whole time Director shall be entitled to the following perquisites provided that the total value of the perquisites shall be restricted to an amount equal to the annual salary i.e. Rs. 3,50,000 – 35,000 - 5,00,000 /- per annum or actuals, whichever is lower.
 - 2.1 **Housing:** The Wholetime Director shall be entitled for House rent allowance of Rs.1,20,000/- per annum.
 - 2.2 **Leave Travel Concession & Medical Reimbursement:**

Expenses incurred for the appointee and his family subject to a ceiling of Rs.50, 000/- in a year.

Explanation: For the purposes of a “family”, family means the spouse, dependent children and dependent parents of the appointee.
 - 2.3 **Special Allowances:** 180,000/- per annum
 - 2.4 Provision of Car for use in Company's business and telephone at residence will not be considered as Perquisites. Telephone at residence reimbursed for rental and business calls
 - 2.6 Reimbursement of actual expenses for books and periodicals purchased for purposes of carrying-on her duties and reimbursement of entertainment expenses actually and properly incurred in the course of the Company's business.
 - 2.7 The Director shall not be paid any sitting fees for attending the meetings of the Board or any committee thereof.
- 3 **Encashment of leave:** As per company's rules encashment of leave, if any, in accordance with the rules of the Company shall be allowed only at the time of retirement or at the end of tenure as the case may be and it will not be included in the computation of ceiling for perquisites.
- 4 **Gratuity & Provident Fund:** Payable in accordance with as per applicable law.

RESOLVED FURTHER that in the event of loss or inadequacy of profits in any financial year during the period of Miss. Shruti N. Kamath's appointment, she will be paid or provided the salary, the allowances, and the perquisites as set out in the foregoing part of this resolution as the 'minimum remuneration' notwithstanding the fact that such remuneration is in excess of the limits set-out in Sections 198 and 309 of the Companies Act, 1956 or in Section II of Part II of Schedule XIII to the Companies Act, 1956 and necessary approvals will be sought from Central Government.”

RESOLVED FURTHER that an agreement, covering the above terms, be executed with Miss. Shruti N. Kamath under the Common Seal of the Company to be affixed thereto in accordance with the Articles of Association of the Company

By order of the Board
S.N. KAMATH
Managing Director

Registered Office:
6/29A, Udit Mittal Industrial
Society, Andheri – Kurla Road,
Andheri(E), Mumbai – 400 059
Dated: 29th May, 2010

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF / HERSELF AND SUCH PROXY NEED NOT BE A MEMBER. PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED AT THE COMPANY'S REGISTERED OFFICE AT 6/29A, UDIT MITTAL INDUSTRIAL SOCIETY, ANDHERI KURLA ROAD, ANDHERI(E), MUMBAI – 400 059 NOT LESS THAN FORTY EIGHT HOURS BEFORE THE MEETING.**

An Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of Special Business under Item Nos. 5 to 7 to the notice are annexed.

2. The Register of Members and Share Transfer Books of the Company will remain closed from 26th July 2010 - to 30th July 2010 (both day's inclusive) for the purpose of payment of dividend.
3. The Dividend , as recommended by the Board, if sanctioned at the meeting, will be paid on or after the 3rd August 2010 to those members or their mandates whose names stand registered on the Company's Register of Members:-
 - a. As Beneficial Owners as at the end of Business on July 26th 2010 as per the lists to be furnished by National Securities Depository Limited and Central Depository Services (India) limited in respect of the shares held in electronic form, and
 - b. As Members in the Register of Members of the Company after giving effect to valid transfers in physical form lodged with the Company on or before July 25 2010.
4. In compliance with SEBI Circular No. D&CC/FITT/CIR-15/2002 dated December 27, 2002 read with circular No. D&CC/FITTC/CIR-18/2003 dated February 12, 2003, mandating a Common Agency for Share Registry Work (Physical & Electronic), the company has already appointed M/s. Mondkar Computers Private Limited as the Registrar & Share Transfer Agents , having their office at 21, Shakeel Niwas, Mahakali Caves Road, Andheri (East), Mumbai – 400 093.
5. Members are requested to notify immediately any change in their address :
 - a. To their Depository Participants (Dos) in respect of their electronic share accounts , and
 - b. To the share transfer agent Mondkar Computers Private Limited having office at 21, Shakeel Niwas, Mahakali Caves Road, Andheri (East), Mumbai 400 093.
6. Members may please bring the Admission Slip duly filled in and may hand over the same at the entrance to the Meeting Hall.
7. Members desirous of obtaining any information concerning accounts and operations of the Company are requested to address their questions in writing to the Board of Directors of the Company at least 7 days before the date of the Meeting so that the information required may be made available at the Meeting.
8. Members are requested to bring the copy of the Annual Report sent to them.
9. Information required to be furnished under the Listing Agreement.

As required under the listing Agreement with the Stock Exchanges, the particulars of Directors who are proposed to be appointed/reappointed are given below:

- | | |
|---|--|
| A) Name | Mr. S.N. Kamath |
| Date of Birth | 21.12.1953 |
| Qualification | Intermediate |
| Expertise | More than 30- years in Trading and in Pharmaceuticals |
| Directorship | 1. Florotek Bio Systems 2. Sathyashree Constructions 3. Ashtavinayak Enterprises 4. Patel Power Pvt. Ltd. |
| B) Name | Miss. Shruti Kamath |
| Date of Birth | 06.04.1985 |
| Qualification | Bachelor of Engineering |
| Expertise | Trading and Marketing in Pharmaceuticals |
| Directorship | N.A. |
| C) Name | Dr. Vibha N. Kamath |
| Date of Birth | 08.07.1983 |
| Qualification | BDS |
| Expertise | Research & Development Activities and Dentist By Profession |
| Directorship | N.A. |
| The above three Directors(A to C) are related to each other . | |
| D) Name | Mr. Gautam R. Ashra |
| Date of Birth | 15.10.1956 |
| Qualification | M.Com |
| Expertise | Foreign Exchange Business |
| Directorship | 1. Kanji Pitamber Forex Pvt. Ltd. 2. Kanji Forex Pvt Ltd. 3. Genteel Trading Co. Pvt. Ltd.Ltd. 4. Monochrome Investment Pvt. Ltd. 5. TVS Infrastructure Ltd. 6. Goodwill Cultivator Pvt. Ltd. 7. Bajaj Hindustan Sugar & Industries Ltd. 8. Bombay Gymkhana Ltd. |

ANNEXURE TO NOTICE

EXPLANATORY STATEMENT PURSUANT TO SUB SECTION (2) OF SECTION 173 OF THE COMPANIES ACT, 1956 IN RESPECT OF THE SPECIAL BUSINESS SET OUT IN THE NOTICE CONVENING THE ANNUAL GENERAL MEETING.

Item No. 5

Dr. Vibha N. Kamath a Dentist by profession and a part of Promoter group exclusively working for the company and oversees the research and development activities in India. The Board at its meeting held on 27th January 2010 and the Remuneration committee at their meeting held on 27th January 2010 appointed her as the Whole time Director of the Company. Her appointment and remuneration are as per Section 269 read with Schedule XIII of the Companies Act, 1956.

The Agreement referred to in the relevant resolution of this notice will be open for inspection by shareholders at th Registered office of the company between 11 A.M to 1 P.M on any working day except Saturday.

The above may be treated as an extract as required under Section 302 of the Companies Act, 1956.

Mr. S.N. Kamath & Miss. Shruti N. Kamath are related to Her .

Item No. 6

Mr. S. N. Kamath is a hard core businessman and promoter of the company having more than 30 years of experience in Pharma Industry. As a Supplier and trader in Anti malarial Drugs, he has a established name, proven track record and Icon of the Industries.

The Board at its meeting held on 29th May 2010 and the Remuneration committee at their meeting held on 29th May 2010 re-appointed him as the Managing director of the company. His appointment and remuneration are as per Section 269 read with Schedule XIII of the Companies Act, 1956.

The Agreement referred to in the relevant resolution of this notice will be open for inspection by shareholders at th Registered office of the company between 11 A.M to 1 P.M on any working day except Saturday.

The above may be treated as an extract as required under Section 302 of the Companies Act, 1956.

Dr. Vibha N. Kamath & Miss. Shruti N. Kamath are related to Him .

Item No. 7

Miss. Shruti N. Kamath Bachelor in Engineering by profession and a part of Promoter group exclusively working for the company and oversees the day to day commercial and trading activities in India & abroad. The Board at its meeting held on 29th May 2010 and the Remuneration committee at their meeting held on 29th May 2010 re-appointed her as the Wholetime Director of the Company. Her appointment and remuneration are as per Section 269 read with Schedule XIII of the Companies Act, 1956.

The Agreement referred to in the relevant resolution of this notice will be open for inspection by shareholders at th Registered office of the company between 11 A.M to 1 P.M on any working day except Saturday.

The above may be treated as an extract as required under Section 302 of the Companies Act, 1956.

Mr. S.N. Kamath & Dr. Vibha N. Kamath are related to Her .

By order of the Board

S.N. KAMATH
Managing Director

Registered Office:
6/29A, Udit Mittal Industrial Society
Andheri – Kurla Road,
Andheri(E)
Mumbai – 400 059
Dated: 29th May, 2010

DIRECTORS' REPORT

Your Directors are pleased to present the 25th Annual Report of the Company together with the Audited Financial Statements for the year ended 31st March, 2010.

SUMMARISED FINANCIAL RESULTS:

(Rs. in Lacs)

| | Year Ended 31.03.2010 | Year Ended 31.03.2009 |
|--|----------------------------------|----------------------------------|
| Total Income | 17,113.16 | 13,987.76 |
| Total Expenditure | 11,793.12 | 9,377.08 |
| Profit Before Interest and depreciation | 5,320.04 | 4,610.68 |
| Less : Depreciation | 540.11 | 359.14 |
| Interest | 204.41 | 226.19 |
| Tax | 403.36 | 280.23 |
| Net Profit/(Loss) After Tax | 4172.16 | 3,745.12 |
| Paid-up Equity Shares Capital | 1,031.47 | 1,031.47 |
| Balance brought forward from previous year | 10,162.19 | 6,943.39 |

THE YEAR UNDER REVIEW :

Your Company is celebrating its silver jubilee and successfully completed 25-years of Operation. Your Company's key businesses have reported an encouraging performance for the year ended 31st March 2010. National Stock Exchange of India (NSE) has short listed the company for listing of its shares at their platform.

OPERATIONS:

Net Sales of the company were Rs.16,887.53 lacs as compared to Rs.13,295.57 lacs in the previous year. Profit before tax was Rs 4575.52 lacs as compared to Rs. 4,025.35 lacs in the previous year. Profit after tax was Rs. 4,172.16 lacs as compared to Rs. 3,745.12 lacs in the previous year

DIVIDEND:

Your Directors are please to recommend payment of Dividend at the rate of Rs. 0.50 per Equity Share (i.e.50.00%) Equity share of Re. 1/- each for the year ended 31st March 2010. The dividend will be absorb Rs. 603.35 lacs inclusive of dividend distribution tax of Rs. 87.62 lacs.

FUTURE OUTLOOK

The company acquired 6000 sq. ft are at Andheri, Mumbai to set up its corporate office and wants to start the additional 2nd Plant by way of expansion at Palghar, Thane

ENERGY, TECHNOLOGY AND FOREIGN EXCHANGE:

As required by the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 the relevant information pertaining to conservation of energy, technology absorption, foreign exchange earnings and outgo are as follows:

A) CONSERVATION OF ENERGY:

The Company continues its policy of encouraging energy conservation measures. The regular review of energy consumption and the systems installed to control utilization of energy is undertaken.

B) RESEARCH DEVELOPMENT ACTIVITIES:

Continuous efforts are being made to improve reliability and quality through in-house R&D efforts.

C) TECHNOLOGY ABSORPTION:

The Company is equipped with technologies from world's leaders

D) FOREIGN EXCHANGE EARNINGS & OUTGO:

(Rs. in Lacs)

| | 2009-2010 | 2008-2009 |
|----------------------------|------------------|------------------|
| a. Foreign Exchange Earned | 13,305.96 | 9,844.10 |
| b. Foreign Exchange Used | 1,164.53 | 1,776.97 |

AUDITORS

M/s B. K. Khare & Co., Chartered Account, Mumbai retire as Auditor of the company at the conclusion of the ensuing Annual General Meeting. They have significant their willingness to get re-appointed and have declaration that if re-appointed their appointment will be within the limits fixed under section 224(1)(B) of the companies Act, 1956. The Audit committee recommends the re-appointment of M/s B. K. Khare & Co. as Auditor of the company for the financial year 2010-2011.

AUDITORS REPORT

The Auditors have not made any qualification to the financial statement, in their reports or relevant notes on accounts, which are self explanatory and do not call for any comments under section 217 (3) of the companies Act, 1956.

CORPORATE GOVERNANCE

In pursuance of the system of Corporate Governance instituted by SEBI, formind part of the listing Agreement with the Stock Exchange, a report thereon is separately attached to this report.

INSURANCE OF ASSETS

All the fixed assets, finished goods, semi-finished goods, raw material, packing material and goods of the company lying at different locations have been insured against fire and allied risks.

BANK AND FINANCIAL INSTITUTIONS

The Federal Bank Ltd., has during the year under review, sanctioned to the company additional need based Fund and Non – Fund based working capital facilities. Your Director are thankful for their support to the company.

EMPLOYER/EMPLOYEE RELATIONS

The relationship with the workers of the Company's manufacturing units and other staff has continued to be cordial. The Directors wish to put on record their sincere appreciation and gratitude for the services rendered by the workers and staff at all levels

FIXED DEPOSITS

The Company neither has accepted nor renewed any fixed deposit during the year under review.

HUMAN RESOURCES

We take this opportunity to thank employees at all levels for their dedicated service and contribution made towards the growth of the company.

PERSONNEL

The Company has not paid any remuneration attracting the provisions (Particulars of Employees) Rules, 1975 read along with section 217(2A) of the Companies Act, 1956. Hence no information is required to be appended to this report in this regard.

DIRECTOR

Mr. Gautam R. Ashra retires by rotation & being eligible offer himself for re-appointment, Mr. S. N. Kamath re-appointed as Managing Director, Miss. Shruti N. Kamath re-appointed as Wholetime Director & Dr. Vibha N. Kamath appointed as Wholetime Director of the Company.

DIRECTORS' RESPONSIBILITY STATEMENT

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

- (i) That in the preparation of the accounts for the financial year ended 31st March, 2010, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (ii) That the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were 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 and loss of the Company for the year under review;
- (iii) That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) That the Directors have prepared the accounts for the financial year ended 31st March 2010 on a 'going concern' basis.

ACKNOWLEDGMENTS

Your Directors convey their sincere thanks to the Government, Banks, Shareholders and customers for their continued support extended to the company at all times.

The Directors further express their deep appreciation to all employees for commendable teamwork, high degree of professionalism and enthusiastic effort displayed by them during the year.

On behalf of the Board of Directors.

GOVIND G. DESAI
Chairman

S. N. KAMATH
Managing Director

Place: Mumbai

Dated: 29th May, 2010

CORPORATE GOVERNANCE

PHILOSOPHY OF CORPORATE GOVERNANCE

Corporate Governance is the leitmotiv and fundamental article of faith of all our action in BLISS GVS PHARMA LIMITED It has been guiding force in our quest for instituting within our edifice, systems and process that promote the values of transparency, professionalism and accountability and compliance.

The Company remains firmly committed to this central theme and endeavors to improve these values on an ongoing basis.

COMPOSITION OF BOARD

| SR.NO. | CATEGORY | NAME OF DIRECTOR | DESIGNATION |
|--------|-------------------------------------|-------------------------|----------------------------------|
| 1 | Independent Director | Mr. Govind G.Desai | Chairman |
| 2 | Independent Director | Mr. Mahendra N. Thakkar | Director |
| 3 | Independent Director | Mr. Satej M. Katekar | Director |
| 4 | Promoter and Non Executive Director | Mr. Gautam R. Ashra | Director |
| 5 | Promoter and Executive Director | Dr. Vibha N. Kamath | Whole Time Director |
| 6 | Promoter and Executive Director | Mr. Shibroor N. Kamath | Managing Director of the Company |
| 7 | Promoter and Executive Director | Ms. Shruti N. Kamath | Whole Time Director |

Attendance of Directors at the Meeting of Board of Directors for the Financial Year 2009-2010 and 25th Annual General Meeting will be held on 3rd August, 2010.

Company has conducted 4 (Four) Board Meeting during the year.

| | | | |
|------------|------------|------------|------------|
| 26.06.2009 | 23.07.2009 | 26.10.2009 | 27.01.2010 |
|------------|------------|------------|------------|

The record of Attendance of Directors and membership of Board of Directors

| Sr. No. | Name of Director | No Of Board Meeting Held During the Year | Attendance at the AGM | No. of Membership of Board Committee | No. of Chairmanship of Board Committee |
|---------|---------------------|--|-----------------------|--------------------------------------|--|
| 1 | Govind G.Desai | 4 | P | 3 | 2 |
| 2 | Shibroor N. Kamath | 4 | P | Nil | Nil |
| 3 | Gautam R. Ashra | 4 | P | 1 | Nil |
| 4 | Mahendra N. Thakkar | 4 | P | 3 | 4 |
| 5 | Satej M. Katekar | 4 | P | Nil | Nil |
| 6 | Vibha N. Kamath | 4 | A | Nil | Nil |
| 7 | Shruti N Kamath | 4 | P | Nil | Nil |

Details of Board of Directors Meeting Held during the Financial Year 2009-2010

| Sr. No. | Date | Board Strength | No. Of. Directors Present |
|---------|------------|----------------|---------------------------|
| 1 | 26.06.2009 | 7 | 7 |
| 2 | 23.07.2009 | 7 | 7 |
| 3 | 26.10.2009 | 7 | 7 |
| 4 | 27.01.2010 | 7 | 7 |

AUDIT COMMITTEE

Brief description and term of reference

To oversee the Company's Financial Report process, internal control systems, reviewing the accounting policies and practices, and financial statements audited by the statutory auditors. The audit committee is constituted pursuant to Clause 49 of the Listing Agreement.

Constitution

| Sr. No. | Composition, Name of Members |
|---------|---------------------------------------|
| 1 | Mahendra N. Thakkar - Chairman |
| 2 | Govind G. Desai |
| 3 | Shibroor N. Kamath |
| 4 | Ramesh Mishra (Company Secretary |
| 5 | Vipul B. Thakkar (Compliance officer) |

Company has conducted 4 (Four) Audit Committee Meeting during the year.

| April - June | July - September | October - December | January - March |
|--------------|------------------|--------------------|-----------------|
| 26.06.2009 | 23.07.2009 | 26.10.2009 | 27.01.2010 |

Meetings and Attendance of the Audit Committee During the Year

| Sr. No | Name of Director | No. of Meeting Held During the Year | No. of Meeting Attended |
|---------------------------|--------------------|-------------------------------------|-------------------------|
| 1 | Mahendra Thakkar | 4 | 4 |
| 2 | Govind G. Desai | 4 | 4 |
| 3 | Shibroor N. Kamath | 4 | 4 |
| Company Secretary | | | |
| 4 | Ramesh Mishra | 4 | 3 |
| Compliance Officer | | | |
| 5 | Vipul B. Thakkar | 4 | 4 |

REMUNERATION COMMITTEE

Remuneration Committee has been constituted by the Board of Directors of the Company.

SHARE HOLDERS/ INVESTOR'S GRIEVANCE COMMITTEE

Brief description of Term Reference

To specifically look into redressal of complaints like transfer of shares, non- receipt of dividend, non receipt of annual report etc. received from shareholders/ investors and improve the efficiency.

Constitution

| Sr. No. | Composition, Name Of Members |
|---------|---------------------------------------|
| 1 | Gautam R. Ashra - Chairman |
| 2 | Mahendra Thakkar |
| 3 | Shruti N. Kamath |
| 4 | Ramesh Mishra (Company Secretary) |
| 5 | Vipul B. Thakkar (Compliance officer) |

Company has conducted 4 (Four) share holders/ investor's grievance committee.

| April - June | July - September | October - December | January - March |
|--------------|------------------|--------------------|-----------------|
| 26.06.2009 | 23.07.2009 | 26.10.2010 | 27.01.2010 |

Meetings and Attendance of the share holders/ investor's grievance committee

| Sr. No. | Name of Director | No Of Meeting Held During the Year | No Of Meeting Attended |
|---------------------------|----------------------------|------------------------------------|------------------------|
| 1 | Gautam R. Ashra - Chairman | 4 | 4 |
| 2 | Mahendra N. Thakkar | 4 | 4 |
| 3 | Shruti N. Kamath | 4 | 4 |
| Company Secretary | | | |
| 4 | Ramesh Mishra | 4 | 3 |
| Compliance Officer | | | |
| 5 | Vipul B. Thakkar | 4 | 4 |

ANNUAL GENERAL MEETING

Details of Annual General Meeting

| Particulars | F.Y. 2006 - 2007 | F.Y.2007-2008 | F.Y.2008-2009 |
|--------------|---|---|---|
| Date | 22.09.2007 | 12.09.2008 | 22.08.2009 |
| Time | 9.30 a.m. | 10.00 a.m. | 10.00 a.m. |
| Venue | Hotel Mirador, New Link Road Andheri (East), Mumbai | Hotel Mirador, New Link Road Andheri (East), Mumbai | Hotel Mirador, New Link Road Andheri (East), Mumbai |
| Regd. Office | 6/29-A, Udit Mittal Ind. Society, Andheri (East), Mumbai - 400 059 | 6/29-A, Udit Mittal Ind. Society, Andheri (East), Mumbai - 400 059 | 6/29-A, Udit Mittal Ind. Society, Andheri (East), Mumbai - 400 059 |

DISCLOSURES: -

1. RELATED PARTY DISCLOSURES:

Disclosures on materially significant related party transactions i.e. transactions of the Company material nature, with its Promoters, Directors of the Management, their relatives etc. that may have potential conflict with the interest of the Company at large. None of the transaction with any of the related parties were in conflict with the interested of the Company.

2. COMPLIANCE BY THE COMPANY:

Details of non-compliance by the Company, penalties, stricture imposed on the Company by Stock Exchanges or SEBI or any statutory authority, on any matter related to capital markets during the last three years: The Company has complied with the requirement of regulatory authorities on matter related to capital market and non penalties/ stricture have been imposed against the Company during the last three years. A notice has been received from SEBI regarding reports to be submitted to Stock Exchanges under SEBI' substantial acquisition and takeover guideline.

MEANS OF COMMUNICATION

| | |
|--|---|
| Half Yearly Report send to each Shareholders | At the Financial result of the Company are Published in the news papers and press release in issue in leading news papers, a separate half yearly report is not sent to each shareholder. |
| Quarterly Results | The quarterly results of the Company are published in accordance with the requirement of the Listing Agreement of the Stock Exchange, Mumbai |
| News papers in which results are normally published | 1. Economic Times (English) 2. Maharashtra Times (Marathi) 3. Free Press Journal (English) 4. Navshakti (Marathi) |
| Web site | www.blissgvspharma.com |
| Administrative Office | 6/29-A, Udit Mittal Industrial Society Ltd., Andheri Kurla Road, Andheri (East), Mumbai - 400 059 |
| Whether Management Discussions and Analysis report is a part of Annual Report or not | YES |

INSIDER TRADING :**Code of Conduct for Prevention of Insider Trading**

Pursuant to the requirements of SEBI (Prohibition of Insider Trading) regulations, 1992 as amended, the Company has adopted a "Code of Conduct for Prevention of Insider Trading. Mr.Vipul Thakkar as the Compliance Officer for this purpose.

REGISTRAR AND TRANSFER AGENT :**SHARE TRANSFER SYSTEM**

M/s. Mondkar Computers Pvt. Ltd. Continues to be the Registrar and Transfer Agent of the Company. All the work related to share Registry in term of both Physical and Electronic segment has been allotted to M/s. Mondkar Computers Pvt. Ltd., in view of the directive issued by SEBI in this regard i.e. for handling both Physical as well as Electronic transfer at a single point.

Shareholder are therefore requested to send shares for Physical transfer M/s. Mondkar Computers Pvt. Ltd. instead of sending to Company. As the Company's Shares are compulsorily to be traded in dematerialized form. Members holding shares in Physical Form are requested to send the share certificate to their Depository Participants to enable Register and Transfer Agent to take steps for dematerialization at the following:

The address of Registrar and Transfer agents is:

MONDKAR COMPUTERS PVT. LTD.
21, Shakeel Niwas, Mahakali Caves Road,
Andheri (East), Mumbai - 400 059
Phone No.022- 28366620
Email : mondkar_computers@rediffmail.com

GENERAL SHAREHOLDERS INFORMATION

| | |
|---|--|
| 25 th Annual General Meeting Date & Time | 3 rd August, 2010 |
| Venue | At. Mirador Hotel, New Link Road, Andheri (East), Mumbai - 400 099. |
| Financial Calendars (Tentative) | 1 st April to 31 st March |
| Financial Reporting for the Quarter Ended 30 th June 2009. | 23 rd July, 2009 |
| Financial Reporting for the Quarter Ended 30 th September 2009 | 26 th October, 2009 |
| Financial Reporting for the Quarter Ended 31 st December 2009 | 27 th January, 2010 |
| Financial Reporting for the Quarter Ended 31 st March 2010 | 29 th May, 2010 |
| Book Closure Date | 26 th July 2010 to 30 th July 2010 |
| Registered Office | 6/29-A, Udit Mittal Industrial Society Ltd., Andheri Kurla Road, Andheri (East), Mumbai - 400 059 |
| Listing on Stock Exchange at | Mumbai Stock Exchange |
| Company Registration No. & State Code | L24230MH1984PLC034771 |
| State Code | 11 |
| NSDL & CDSL - ISIN | INE416D01022 |

Market Price Data:

The Monthly high/low quotation of equity shares traded on the Stock Exchange, Mumbai are as follows:

| Date | Open (Rs.) | High (Rs.) | Low (Rs.) | Close (Rs.) | No. of Shares |
|----------------|------------|------------|-----------|-------------|---------------|
| April 2009 | 9.55 | 14.50 | 9.50 | 11.80 | 12,98,805 |
| May 2009 | 13.00 | 21.90 | 10.57 | 20.62 | 11,00,611 |
| June 2009 | 21.30 | 25.80 | 18.60 | 19.30 | 7,94,448 |
| July 2009 | 18.50 | 24.30 | 15.00 | 24.30 | 7,64,742 |
| August 2009 | 25.15 | 32.40 | 25.15 | 29.80 | 26,46,311 |
| September 2009 | 29.75 | 30.45 | 26.05 | 29.35 | 6,14,858 |
| October 2009 | 29.70 | 32.60 | 24.90 | 25.55 | 6,88,250 |
| November 2009 | 25.00 | 31.90 | 25.00 | 30.25 | 12,07,088 |
| December 2009 | 30.50 | 38.00 | 29.50 | 37.80 | 22,22,566 |
| January 2010 | 38.00 | 46.50 | 35.00 | 37.85 | 30,23,839 |
| February 2010 | 38.90 | 43.20 | 33.75 | 36.10 | 9,95,213 |
| March 2010 | 36.80 | 40.00 | 35.40 | 35.90 | 10,76,440 |

(Source - www.bseindia.com)

Distribution of shareholding as on 31st March 2010

| Slab of shareholdings No. of Equity Shares | No. Of Shareholders | % To total No. of shareholders | No. Of shares held | % To total Shares held |
|---|---------------------|-----------------------------------|--------------------|------------------------|
| 1 - 500 | 2774 | 32.125 | 618133 | 0.599 |
| 501 - 1000 | 1071 | 12.403 | 853693 | 0.828 |
| 1001 - 2000 | 2345 | 27.157 | 2935104 | 2.846 |
| 2001 - 3000 | 939 | 10.874 | 2178984 | 2.113 |
| 3001 - 4000 | 358 | 4.146 | 1237757 | 1.200 |
| 4001 - 5000 | 334 | 3.868 | 1519730 | 1.473 |
| 5001 - 10000 | 400 | 4.632 | 2870496 | 2.783 |
| 10001 & above | 414 | 4.794 | 90932775 | 88.159 |

According to categories of shareholders as on 31st March 2010

| | Categories | Shares Held | % Of Total |
|---|---|------------------|---------------|
| a | Indian Promoters, Directors & Relatives | 69512341 | 67.39 |
| b | Banks, Financial Institution, Insurance Companies, (Central/ State Govt. Institution/ Non-Govt. Institution) | 19880 | 0.02 |
| c | FII's | - | - |
| d | Private Corporate Bodies | 8911562 | 8.64 |
| e | Indian Public | 22488606 | 21.81 |
| f | NRIs / OCBs | 1829265 | 1.77 |
| g | Clearing Members | 385018 | 0.37 |
| | TOTAL | 103146672 | 100.00 |

(I) Dematerialisation of Shares:

As on 31st March 2010 9,60,65,038 shares, representing 93.14% of the total issued capital, were held in dematerialized form and 70,81,634 shares, representing 6.86% of the total issued capital is held on Physical form.

(II) Outstanding ADRs / GDRs:

The company has not issued any ADRs / GDRs

COMPANY SECRETARIES REPORT ON CORPORATE GOVERNANCE- MARCH 31, 2010.

To,

The Board of Directors of
BLISS GVS PHARMA LTD.

We have reviewed the implementation of Corporate Governance procedures by Bliss GVS Pharma Limited during the year ended March 2010, with the relevant records and documents maintained by the Company, furnished to us for our review and the report on Corporate Governance as approved by the Board of Directors.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to a review of procedures and implementation thereof, adopted by the Company for ensuring the compliance of conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of 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 with which the management has conducted the affairs of the Company.

On the basis of our review and according to the information and explanations given to us, the conditions of Corporate Governance as stipulated in Clause 49 of the listing agreements with the Stock Exchanges have been complied with in all material respects by the company & that no investors grievance is pending for a period exceeding one month against the Company as per the records maintained by the Investors Grievance, Relations & Share Transfer Committee.



For Ramesh Chandra Mishra.
Company Secretary

Ramesh Mishra

FCS No. 5477

M. No. : 3679

Place: Mumbai

Date: 29th May 2010

AUDITORS' REPORT

TO THE MEMBERS OF BLISS GVS PHARMA LIMITED

1. We have audited the attached Balance Sheet of Bliss GVS Pharma Limited as at 31st March 2010 and also the Profit and Loss Account and the Cash Flow Statement of the Company for the year ended on that date, annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the 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, issued by the Central Government of India in terms of Section 227(4A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph (3) above, we report that:
 - a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the company so far as it appears from our examination of the books.
 - c) The Balance Sheet, Profit and Loss Account and 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 Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.
5. On the basis of the written representations received from the Directors as on 31st March, 2010, and taken on record by the Board of Directors, we report that, none of the Directors is disqualified as on 31st March, 2010 from being appointed as a Director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956, on the said date.
6. In our opinion and to the best of our information and according to the explanations given to us, the said accounts read with the notes thereon give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2010,
 - ii) in the case of the Profit and Loss Account, of the profit for the year ended on that date, and
 - iii) in the case of Cash Flow Statement, of the cash flows for the year ended on that date.

For B. K. Khare and Co.
Chartered Accountants

Santosh Parab
Partner
M. No. 47942
Firm Reg. No. 105102W

Place: Mumbai
Date: 29th May 2010

ANNEXURE TO THE AUDITORS' REPORT

Referred to in Paragraph (3) of our report of even date on the accounts of **Bliss GVS Pharma Limited** ended 31st March 2010.

1) Fixed assets:

- (i) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
- (ii) The Company has a program for physical verification of fixed assets at periodic intervals. In our opinion, the period of verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies have been reported on such verification
- (iii) In our opinion and according to information given to us the fixed assets has not been disposed off during the year.

2) Inventories:

The Management has conducted physical verification of inventory at reasonable intervals. The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business. In our opinion, the Company is maintaining proper records of inventory. Having regards to the size of operations of the Company and nature of stocks held, no material discrepancies were noticed on physical verification. In case of material lying with third parties, certificates confirming stocks have been received as on balance Sheet date.

3) Loans and Advances granted/taken from certain entities:

The Company has taken unsecured loan from a party listed in the register maintained under section 301 of the Companies Act, 1956. The maximum amount outstanding during the year and the year end balance is Rs.Nil. The rate of interest and other terms and conditions of the loan is not prima-facie prejudicial to the interest of the company.

4) Internal Control System :

In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business, for the purchases of inventory, fixed assets and for the sale of goods and services. During the course of our audit, no major weakness has been noticed in the internal controls.

5) Contracts or agreements referred to in section 301 of the Companies Act, 1956 :

- (i) In our opinion and according to the information and explanations given to us, the transactions for the year that needed to be entered in the register maintained under section 301 of the Companies Act, 1956, have been so entered.
- (ii) In our opinion and according to the information and explanations given to us, the transactions exceeding the value of Rs.5,00,000 each have been made at a price, reasonable having regard to the prevailing market prices at the relevant time.

6) Public Deposits:

In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of section 58A and 58AA of the Companies Act, 1956, and the rules framed thereunder.

7) Internal Audit System :

The Company has an internal audit system, which in our opinion needs to be strengthen substantially.

8) Cost Records :

As informed to us, the maintenance of cost records has not been prescribed by the Central Government under section 209(1)(d) of the Companies Act, 1956, in respect of the activities carried on by the Company.

9) Statutory Dues:

- (i) According to the records of the Company, the Company is generally regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Customs Duty, Excise Duty, Service tax, Cess and other statutory dues applicable to it with the appropriate authorities.
According to the information and explanations given to us, no undisputed amounts payable in respect of Wealth Tax, Sales Tax, Service tax, Customs Duty and Excise Duty were outstanding at the year end for a period of more than six months from the date they became payable except Income Tax demand of Rs.183.69 lacs for the A.Y. 2007-08 in respect of which appeal is pending before Commissioner of Income Tax (Appeals).
- (ii) According to the information and explanations given to us, there are no dues of Sales Tax, Customs Duty, Wealth Tax, Excise Duty or Cess outstanding on account of any dispute.

10) Accumulated Losses:

The Company does not have accumulated losses at the end of the financial year and it has not incurred any cash losses in the current and immediately preceding financial year.

11) Dues to Financial Institutions, Banks and Debenture holders:

According to the information and explanations given to us and based on the documents and records produced to us, the Company has not defaulted in repayment of dues to a financial institution or bank or debenture holders.

12) Security for Loans & Advances Granted :

According to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

13) Special Statute:

In our opinion and according to the information and explanations given to us, the nature of activities of the Company does not attract any special statute applicable to chit fund and nidhi / mutual benefit fund/ societies.

14 Dealings/Trading in Shares, Securities, Debentures and other investments:

The Company does not deal or trade in shares, securities, debentures and other investments.

15) Guarantees given :

According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.

16) Term Loans:

In our opinion and according to the information and explanations given to us, the term loans have been applied for the purposes for which they were obtained.

17) Utilisation of Funds:

According to the information and explanations given to us on an overall examination of the Balance Sheet and Cash Flows of the Company, we report that the Company has not utilized funds raised on short-term basis for long-term investments.

18) Preferential Allotment of Shares:

Company has not made any preferential allotment of shares during the year.

19) Security for Debentures Issued :

The Company has not issued any debentures during the year.

20) Public Issue of Equity Shares :

The Company has not raised any money through a public issue during the year.

21) Frauds Noticed:

Based on the audit procedures performed and information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the year.

**For B. K. Khare and Co.
Chartered Accountants**

**Santosh Parab
Partner
M. No. 47942
Firm Reg. No. 105102W**

Place: Mumbai
Date: 29th May 2010

BALANCE SHEET AS AT 31ST MARCH 2010

(Rs. in Lacs)

| | SCHEDULE | AS AT 31.03.2010 Rs. | AS AT 31.03.2009 Rs. |
|--|----------|----------------------------|----------------------------|
| SOURCES OF FUND | | | |
| 1. SHAREHOLDERS' FUND | | | |
| a. Share Capital | A | 1,031.47 | 1,031.47 |
| b. Reserves & Surplus | B | 12,289.26 | 8,720.46 |
| TOTAL | | 13,320.73 | 9,751.93 |
| 2. LOAN FUNDS | | | |
| Secured Loans | C | 764.21 | 241.47 |
| 3. DEFERRED TAX LIABILITY (NET) | D | - | 54.19 |
| TOTAL | | 14,084.94 | 10,047.59 |
| APPLICATION OF FUNDS | | | |
| 1. FIXED ASSETS | E | | |
| a. Gross Block | | 3,577.87 | 3,453.34 |
| b. Less : Depreciation/ Amortisation | | 1,557.43 | 1,017.32 |
| c. Net Block | | 2,020.44 | 2,436.02 |
| Capital Work In Progress | | 341.07 | 13.47 |
| | | 2,361.51 | 2,449.48 |
| 2. INVESTMENTS | F | 0.01 | 0.01 |
| 3. DEFERRED TAX ASSET (NET) | D | 27.55 | - |
| 4. CURRENT ASSETS , LOANS AND ADVANCES | | | |
| a. Inventories | G | 3,067.29 | 3,869.28 |
| b. Sundry Debtors | H | 7,040.98 | 4,614.66 |
| c. Cash and Bank Balances | I | 1,532.22 | 684.89 |
| d. Loans and Advances | J | 1,871.72 | 1,071.38 |
| | | 13,512.21 | 10,240.20 |
| 5. Less : CURRENT LIABILITIES & PROVISIONS | | | |
| a. Liabilities | K | 1,166.98 | 2,419.01 |
| b. Provisions | L | 649.35 | 223.09 |
| | | 1,816.33 | 2,642.10 |
| NET CURRENT ASSETS [(4)-(5)] | | 11,695.87 | 7,598.10 |
| TOTAL | | 14,084.94 | 10,047.59 |

As per our report of even date

For B.K.KHARE & CO.

CHARTERED ACCOUNTANTS

SANTOSH PARAB

Partner

Place : Mumbai

Date : 29.05.2010

For & on behalf of the Board

GOVIND G. DESAI - Chairman

SHIBROOR N. KAMATH - Managing Director

GAUTAM R. ASHRA - Director

MAHENDRA N. THAKKAR - Director

SATEJ M. KATEKAR - Director

DR.VIBHA N. KAMATH - Whole Time Director

SHRUTI N. KAMATH - Whole Time Director

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31.03.2010

(Rs. in Lacs)

| | SCHEDULE | YEAR ENDED 31-03-2010 Rs. | YEAR ENDED 31-03-2009 Rs. |
|---|----------|---------------------------------|---------------------------------|
| 1. INCOME | | | |
| a. Sales - Manufactured and Traded (Net of Returns) | | 16,934.60 | 13,327.44 |
| Less : Excise Duty | | (47.06) | (31.86) |
| Net Sales | | 16,887.53 | 13,295.57 |
| b. Income From Operations and other Income | M | 225.62 | 692.19 |
| TOTAL | | 17,113.16 | 13,987.76 |
| 2. EXPENDITURE | | | |
| a. (Increase) / Decrease In Stocks | N | (79.20) | 15.64 |
| b. Raw Materials & Packing Materials Cost | O | 9,136.45 | 6,968.42 |
| c. Personnel Expenses | P | 328.12 | 264.35 |
| d. Interest and Finance Charges | Q | 204.41 | 226.19 |
| e. Depreciation/Amortisation | E | 540.11 | 359.14 |
| f. Other Expenses | R | 2,407.74 | 2,128.67 |
| TOTAL | | 12,537.63 | 9,962.41 |
| 3. Profit for the year (Before Tax) | | 4,575.52 | 4,025.35 |
| 4. Less : Provision for Tax | | | |
| a. Current Tax (Includes Wealth Tax) [Includes Short provision for earlier year Rs.11.34 & (P.Y.Rs.(3.26))] | | (794.89) | (471.53) |
| Less : MAT Credit Entitlement [Includes Short provision for earlier Rs. 260.70 & (P.Y. Rs. Nil)] | | 309.78 | 233.90 |
| b. Deferred Tax | | 81.74 | (29.60) |
| c. Fringe Benefit Tax | | - | (13.00) |
| 5. Profit for the year (After Tax) | | 4,172.16 | 3,745.12 |
| 6. Profit brought forward | | 6,943.39 | 3,559.28 |
| 7. Less : Transfer to General Reserve | | (350.00) | (180.00) |
| 8. Less : Proposed Dividend [Including Dividend Tax Rs.87.62] (Previous Year Rs.26.29)] | | (603.36) | (181.01) |
| Balance in Profit & Loss Account | | 10,162.19 | 6,943.39 |
| Earning per Share (Basic & Diluted) | | 4.04 | 3.63 |
| Statement of Accounting Policies & Notes to Accounts | S | | |

As per our report of even date

For B.K.KHARE & CO.

CHARTERED ACCOUNTANTS

SANTOSH PARAB

Partner

Place : Mumbai

Date : 29.05.2010

For & on behalf of the Board

GOVIND G. DESAI - Chairman

SHIBROOR N. KAMATH - Managing Director

GAUTAM R. ASHRA - Director

MAHENDRA N. THAKKAR - Director

SATEJ M. KATEKAR - Director

DR.VIBHA N. KAMATH - Whole Time Director

SHRUTI N. KAMATH - Whole Time Director

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2010

(Rs. in Lacs)

| | | 2009-2010 | 2008-2009 |
|--|-------------------|-------------------|-------------------|
| A. CASH FLOW FROM OPERATING ACTIVITIES | | | |
| Net Profit before taxation and extraordinary items | | 4,575.52 | 4,025.35 |
| Add/Less : Depreciation | 540.11 | | 359.14 |
| Loss on sale of fixed assets | - | | 2.19 |
| Reversal of Provision for Doubtful Advances | (16.91) | | - |
| Gratuity Provision | 3.18 | | 13.99 |
| Interest expense | 204.41 | | 226.19 |
| Interest income | (67.90) | | - |
| | | 662.89 | 601.51 |
| Operating profit before working capital changes | | 5,238.42 | 4,626.86 |
| Add/Less : Increase/(Decrease) in Trade and other payables | (825.76) | | 7.70 |
| (Increase)/Decrease in Loans and advances | (1,508.56) | | (311.96) |
| (Increase)/Decrease in Trade and other receivables | (2,426.32) | | (87.72) |
| (Increase)/Decrease in Inventories | 801.98 | (3,958.66) | (1,956.61) |
| | | | (2,348.58) |
| Cash generated from operations | | 1,279.76 | 2,278.28 |
| Less : Income tax paid | | (590.14) | (446.93) |
| Cash flow before extraordinary items | | 689.61 | 1,831.35 |
| Net cash from operating activities | | 689.61 | 1,831.35 |
| B. CASH FLOW FROM INVESTING ACTIVITIES | | | |
| Purchase of fixed assets | (124.53) | | (1,338.98) |
| Capital Work in Process | (327.61) | | - |
| Proceeds from sale of fixed assets | - | | 2.01 |
| Interest received | 67.90 | (384.24) | - |
| Net cash used in investing activities | | (305.38) | (1,336.97) |
| C. CASH FLOW FROM FINANCING ACTIVITIES | | | |
| Proceeds from borrowings (Net of repayments) | 227.71 | | (108.08) |
| Interest paid | (204.41) | | (226.19) |
| Dividend paid (including Dividend Tax) | (181.01) | (157.72) | (75.42) |
| Net cash used in financing activities | | 463.10 | (409.69) |
| Net increase in cash and cash equivalents (A+B+C) | | 847.33 | 84.69 |
| Cash and cash equivalents at the beginning of the year | | 684.89 | 600.20 |
| Cash and cash equivalents at the end of year | | 1,532.22 | 684.89 |

As per our report of even date

For B.K.KHARE & CO.

CHARTERED ACCOUNTANTS

SANTOSH PARAB

Partner

Place : Mumbai

Date : 29.05.2010

For & on behalf of the Board

GOVIND G. DESAI - Chairman

SHIBROOR N. KAMATH - Managing Director

GAUTAM R. ASHRA - Director

MAHENDRA N. THAKKAR - Director

SATEJ M. KATEKAR - Director

DR.VIBHA N. KAMATH - Whole Time Director

SHRUTI N. KAMATH - Whole Time Director

SCHEDULES ANNEXED AND FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH 2010

(Rs. in Lacs)

| SCHEDULE | AS AT 31.03.2010 Rs. | AS AT 31.03.2009 Rs. |
|---|--------------------------------|----------------------------|
| SCHEDULE A : SHARE CAPITAL | | |
| AUTHORISED CAPITAL | | |
| 150,000,000 Equity Share of Re.1/- each (Previous Year 150,000,000 equity share of Re.1/- each) | 1,500.00 | 1,500.00 |
| ISSUED, SUBSCRIBED AND PAID UP CAPITAL | | |
| 103,146,672 equity share of Re.1/- each | 1,031.47 | 1,031.47 |
| (a) 26,666,670 Equity Shares represent after subdivision 26,66,667 Equity Shares of Rs.10/- each issued to the Promoter and Managing Director, Mr. S. N. Kamath at a value of Rs. 60/- per share (including premium of Rs. 50/- per share) on a preferential basis for consideration other than cash. | | |
| (b) 10,400,000 Equity Shares represent after subdivision 1,040,000 Equity Share of Rs.10/- each issued as Bonus Shares by capitalisation of the General Reserve | | |
| (c) 1,400,000 Equity Shares of Re.1/- each represent after subdivision 140,000 Equity Shares of Rs.10/- each issued on February 13, 2008 to employees and Non-Executive Directors under Employee Stock Purchase Scheme. | | |
| (d) During the year 38,680,002 Equity Shares of Rs.1/-each fully paid have been issued as Bonus Shares by Capitalisation of Share Premium Account. | | |
| TOTAL | 1,031.47 | 1,031.47 |
| SCHEDULE B : RESERVES & SURPLUSES | | |
| a. Share Premium Account As per last Balance Sheet | 1,475.73 | 1,862.53 |
| Less : Capitalised on Issue of Bonus Shares. | - | (386.80) |
| | 1,475.73 | 1,475.73 |
| b. General Reserve As per last Balance Sheet Add : Transferred from Profit & Loss Account. | 301.34 350.00 | 121.34 180.00 |
| | 651.34 | 301.34 |
| c. Balance in Profit & Loss Account | 10,162.19 | 6,943.39 |
| TOTAL | 12,289.26 | 8,720.46 |
| SCHEDULE C : SECURED LOANS | | |
| From Scheduled Banks: | | |
| Cash Credit (Secured by hypothecation of Stock of raw material stock-in-process, finished goods and Local book-debts, further, negative lien of Land and building at Palghar) | 463.34 | 168.31 |
| Term Loan (Secured by hypothecation of Specific Plant & Machinery of EOU Unit) (Repayable within one year Rs. 14.91 (P.Y. Rs.62.16) | 295.95 | 62.16 |
| Vehicle Loan (secured by hypothecation of specific vehicle) (Repayable within one year Rs. 6.07 (P.Y. Rs. 11.00) | 4.93 | 11.00 |
| TOTAL | 764.21 | 241.47 |
| SCHEDULE D : DEFERRED TAX LIABILITY / (ASSET) | | |
| Deferred Tax Liability Less : Deferred Tax Assets (Refer Note No.4) | 54.19 (81.74) | 70.13 (15.94) |
| TOTAL | (27.55) | 54.19 |

**SCHEDULE : E
FIXED ASSETS**

Rs. in Lacs)

| GROSS BLOCK | | | | | | | | | | | | DEPRECIATION | | | NET BLOCK | |
|--------------------------|--|-----------------|--------------------------|--------------------------|-----------------|-----------------|--------------------------|---------------------------|--------------------|------------------|------------------|--------------|----------|--|-----------|--|
| Sr. No. | Assets | Opening Balance | Addition during the Year | Deletion during the Year | Closing Balance | Opening Balance | Provided during the Year | Deduction during the Year | Total Depreciation | As at 31.03.2010 | As at 31.03.2009 | | | | | |
| 1 | Goodwill | 13.61 | - | - | 13.61 | 13.61 | - | - | 13.61 | - | - | | | | | |
| 2 | Brands | 2,492.70 | - | - | 2,492.70 | 845.14 | 498.54 | - | 1343.68 | 1,149.03 | 1,647.57 | | | | | |
| 3 | Land | 10.39 | - | - | 10.39 | - | - | - | - | 10.39 | 10.39 | | | | | |
| 4 | Buildings | 465.93 | 60.43 | - | 526.36 | 36.59 | 12.90 | - | 49.49 | 476.87 | 429.34 | | | | | |
| 5 | Plant & Machinery | 325.62 | 10.84 | - | 336.46 | 69.85 | 14.11 | - | 83.96 | 252.50 | 255.77 | | | | | |
| 6 | Furniture, Fixture & Office Equipments | 80.53 | 34.39 | - | 114.92 | 33.39 | 7.72 | - | 41.12 | 73.80 | 47.14 | | | | | |
| 7 | Vehicles | 64.55 | 18.87 | - | 83.43 | 18.74 | 6.83 | - | 25.57 | 57.85 | 45.81 | | | | | |
| TOTAL | | 3453.34 | 124.53 | - | 3577.87 | 1017.32 | 540.11 | - | 1557.43 | 2,020.44 | 2,436.02 | | | | | |
| Capital Work In Progress | | | | | | | | | | | | 341.07 | 13.47 | | | |
| Previous Year Total | | | | | | | | | | | | 2,361.51 | 2,449.49 | | | |
| | | | | | | | | | | | | 2,436.02 | | | | |

| (Rs. in Lacs) | | |
|--|----------------------------|----------------------------|
| SCHEDULE | AS AT 31.03.2010 Rs. | AS AT 31.03.2009 Rs. |
| SCHEDULE F : | | |
| INVESTMENT (Non-Trade, Unquoted, Long Term) | | |
| 100 Equity Share of Rs. 10/- each of Bharat Co-op. Bank Ltd. (At Cost) | 0.01 | 0.01 |
| TOTAL | 0.01 | 0.01 |
| SCHEDULE G : | | |
| INVENTORIES | | |
| (As Verified, Valued & Certified by Management) | | |
| a. Raw Materials | 2,548.12 | 3,401.55 |
| b. Packing Materials | 126.72 | 154.48 |
| c. Finished Products | 354.47 | 268.54 |
| d. Stock-in-Process | 37.98 | 44.71 |
| TOTAL | 3,067.29 | 3,869.28 |
| SCHEDULE H : | | |
| SUNDRY DEBTORS | | |
| (Unsecured, considered goods, unless otherwise stated) | | |
| a. Debts outstanding for a period exceeding six months | 1,873.98 | 909.36 |
| b. Other debts (Net of Bill discounted Rs. 1412.16 Lacs (Previous Year Rs.1607.59 Lacs) | 5,167.00 | 3,705.30 |
| TOTAL | 7,040.98 | 4,614.66 |
| SCHEDULE I : | | |
| CASH AND BANK BALANCE | | |
| a. With scheduled Banks in Current Account | 324.66 | 139.44 |
| b. With Scheduled Banks in Fixed Deposits | 1,203.87 | 543.47 |
| c. Cash on Hand | 3.69 | 1.97 |
| TOTAL | 1,532.22 | 684.89 |

| | | (Rs. in Lacs) | |
|---|----------------------------|----------------------------|--|
| SCHEDULE | AS AT 31.03.2010 Rs. | AS AT 31.03.2009 Rs. | |
| SCHEDULE J : | | | |
| LOANS AND ADVANCES | | | |
| (Unsecured, considered goods, unless otherwise stated) | | | |
| a. Advance recoverable in cash or in kind for value to be received | 323.25 | 257.45 | |
| b. Advance to Suppliers | | | |
| - Considered Good | 105.55 | 235.99 | |
| - Considered Doubtful | - | 16.91 | |
| c. Capital Advance | 263.13 | - | |
| c. Deposits | 3.25 | 3.25 | |
| d. Excise Duty Deposit in PLA & CENVAT Credit | 188.72 | 177.02 | |
| e. Advance Tax (Net-Including MAT Credit) | 987.82 | 397.68 | |
| | 1,871.72 | 1,088.30 | |
| <u>Less</u> : Provision for Doubtful Advances | - | 16.91 | |
| TOTAL | 1,871.72 | 1,071.38 | |
| SCHEDULE K : | | | |
| CURRENT LIABILITIES | | | |
| a. Sundry Creditors (Refer Note No. 10) | | | |
| - Micro/small/ Medium Enterprises | 295.99 | 206.82 | |
| - Other Creditors | 526.14 | 933.78 | |
| b. Security Deposit | 0.26 | 0.26 | |
| c. Unpaid Dividend | 12.43 | 10.77 | |
| (Includes Rs. Nil (Previous Year Rs. 4.71) to be transferred to Investors Education & Protection Fund) | | | |
| d. Advance from Customers | 301.70 | 317.75 | |
| e. Other Liabilities | 30.47 | 949.63 | |
| TOTAL | 1,166.98 | 2,419.01 | |
| SCHEDULE L : | | | |
| PROVISIONS | | | |
| a. Proposed Dividend | 515.73 | 154.72 | |
| b. Dividend Tax | 87.62 | 26.29 | |
| c. Provision for Gratuity | 46.00 | 42.07 | |
| TOTAL | 649.35 | 223.09 | |

**SCHEDULES ANNEXED TO AND FORMING PART OF THE PROFIT & LOSS ACCOUNT
FOR THE YEAR ENDED 31ST MARCH, 2010**

(Rs. in Lacs)

| | | YR. ENDED 31.03.2010 | YR. ENDED 31.03.2009 |
|---|-----------|---------------------------------|---------------------------------|
| SCHEDULE M : | | | |
| INCOME FROM OPERATIONS AND OTHER INCOME | | | |
| a. Insurance claim Received | | 0.03 | 23.90 |
| b. Interest on Fixed Deposits with Banks | | 67.90 | 4.22 |
| [Tax deducted at source Rs. 3,40,683/-] | | | |
| (Previous Year Rs. 27,459/-)] | | | |
| c. Other Miscellaneous Income | | 19.02 | 14.43 |
| [Includes Dividend Rs. Nil/-] | | | |
| (Previous Year Rs. 150/-)] | | | |
| d. Foreign Exchange Gain/(Loss) | | 138.67 | 649.64 |
| TOTAL | | 225.62 | 692.19 |
| SCHEDULE N : | | | |
| DECREASE/ (INCREASE) IN STOCK OF FINISHED GOODS & STOCK IN PROCESS | | | |
| Opening Stock | | | |
| - Finished Goods | 268.54 | | 287.54 |
| - Stock in Process | 44.71 | 313.25 | 41.34 |
| | | | 328.89 |
| - Finished Goods | | | |
| Less : Closing Stock | | | |
| - Finished Goods | 354.47 | | 268.54 |
| - Stock in Process | 37.98 | 392.45 | 44.71 |
| | | | 313.25 |
| Decrease / (Increase) in Stock | | (79.20) | 15.64 |
| SCHEDULE O : | | | |
| RAW MATERIALS & PACKING MATERIALS COST | | | |
| (A) Consumption of Raw Materials | | | |
| Opening Stock | 3,401.55 | | 1,467.41 |
| Add: Purchases | 7,247.43 | | 7,995.45 |
| | 10,648.98 | | 9,462.86 |
| Less: Closing Stock | 2,548.12 | 8,100.86 | 3,401.55 |
| | | | 6,061.31 |
| (B) Consumption of Packing Materials | | | |
| Opening Stock | 154.48 | | 116.37 |
| Add: Purchases | 1,007.84 | | 945.22 |
| | 1,162.32 | | 1,061.59 |
| Less: Closing Stock | 126.72 | 1,035.60 | 154.48 |
| | | | 907.11 |
| TOTAL | | 9,136.45 | 6,968.42 |

| (Rs. in Lacs) | | | |
|--|-------|--------------------------------|--------------------------------|
| | | YR. ENDED 31.03.2010 Rs. | YR. ENDED 31.03.2009 Rs. |
| SCHEDULE P : PERSONNEL EXPENSES | | | |
| Salaries, Wages & Bonus | | 282.92 | 218.92 |
| Contribution to Provident and Other Funds | | 22.09 | 18.65 |
| Gratuity (Refer Note No. 2) | | 3.18 | 13.99 |
| Welfare | | 19.93 | 12.79 |
| TOTAL | | 328.12 | 264.35 |
| SCHEDULE Q : Interest and Finance Charges | | | |
| Interest on Term Loans | | 15.03 | 13.39 |
| Finance Charges | | 189.39 | 212.80 |
| TOTAL | | 204.41 | 226.19 |
| SCHEDULE R : Other Expenses | | | |
| Labour charges | | 184.27 | 215.49 |
| Power & Fuel | | 37.07 | 27.05 |
| Rent | | 13.20 | 11.61 |
| Repairs & Maintenance | | | |
| - Plant & Machinery | 31.36 | | 28.83 |
| - Others | 29.19 | 60.55 | 22.38 |
| Insurance | | 58.31 | 41.10 |
| Rates & Taxes | | 257.71 | 18.73 |
| Legal & Professional Fees | | 887.03 | 746.26 |
| Travelling & Conveyance | | 165.63 | 151.43 |
| Remuneration to Auditors | | - | |
| - Audit Fees | 4.41 | - | 4.41 |
| - Tax Audit Fees | 1.65 | - | 1.65 |
| - Out of Pocket Expenses | 0.06 | - | 0.12 |
| - Other Services | 1.55 | 7.68 | 0.55 |
| Advertisement & Publicity | | 75.68 | 70.36 |
| Business Promotion Expenses | | 139.45 | 153.10 |
| Director Sitting Fees | | 4.00 | 3.14 |
| Freight & Transportation | | 365.72 | 447.32 |
| Donation | | 33.42 | 10.16 |
| Registration Charges | | - | 9.62 |
| Foreign Exchange Loss / (Profit) | | 0.77 | 2.51 |
| Miscellaneous Expenses | | 117.25 | 162.82 |
| TOTAL | | 2,407.74 | 2,128.67 |

SCHEDULE S:

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS:

A. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES:

1. **ACCOUNTING CONVENTION:** -
The accompanying financial statements are prepared in accordance with Generally Accepted Accounting Principles in India ("GAAP"). The Company follows the accrual method of accounting, except where otherwise stated, and the historical cost convention.
2. **FIXED ASSETS:** -
 - a) All Fixed assets are carried at cost less depreciation.
 - b) Depreciation on the assets is calculated on straight-line method at the rates and in the manner prescribed in schedule XIV to the Companies Act, 1956.
 - c) Carrying amount of cash generating units/assets are reviewed at balance sheet date to determine whether there is any impairment. If any such indication exists the recoverable amount is estimated as the higher of net realisable price and value in use. Impairment loss, if any, is recognised whenever carrying amount exceeds the recoverable amount.
3. **INTANGIBLE ASSETS:** -
All Intangible Assets are measured at cost and amortized so as to reflect the pattern in which the assets economic benefits are consumed. Brands are amortized over the estimated period of benefit, not exceeding five years.
4. **INVESTMENTS:-**
Long term investments are stated at cost. Provision, if any, is made for permanent diminution in the value of investments. Current investments are stated at cost or fair value whichever is lower.
5. **INVENTORIES:** -
Raw materials, stores and spares are valued at cost (net of CENVAT and sales tax set-off), determined on FIFO basis.

Work in process and finished goods are valued at lower of cost and net realisable value. Cost is determined on the basis of direct cost comprising raw material, direct labour and an appropriate portion of direct production overheads.
6. **FOREIGN CURRENCY TRANSACTION:** -
 - a) Transactions in foreign currencies are recorded at the exchange rates prevailing on the date of transaction. Foreign currency monetary assets and liabilities are translated at year-end exchange rates. Exchange difference arising on settlement of transactions and translation of monetary items are recognised as income or expense in the year in which they arise.
 - b) In respect of forward exchange contracts the difference between the forward rate and the exchange rate at the inception of the contract is recognised as income or expense over the period of the contract.
 - c) Gains or losses on cancellation / settlement of forward exchange contracts are recognised as income or expense.
7. **REVENUE RECOGNITION:** -
 - d) Sale of products and services are recognized when the products are shipped or services rendered. Income from job work is included in sales.
 - e) Income in respect of overdue interest, insurance claims, export benefits etc is recognised to the extent the company is reasonably certain of its ultimate realisation.
8. **EMPLOYEE BENEFITS:** -
 - a) **Short Term Employee benefits:**
All short term employee benefit plans such as salaries, wages, bonus, special awards and medical benefits which fall due within 12 months of the period in which the employee renders the related services which entitles him to avail such benefits are recognised on an undiscounted basis and charged to the profit & loss account.
 - b) **Defined contribution Plan:**
The Company has a statutory scheme of Provident Fund with the Regional Provident Fund Commissioner and contribution of the company is charged to the profit & loss account on accrual basis.
 - c) **Defined benefit Plan:**
The Company's liability towards gratuity to its employees is covered by a group gratuity policy with an insurance company. The contribution paid /payable to insurance company is debited to Profit & Loss Account on accrual basis. Liability towards gratuity is provided on the basis of an actuarial valuation using the Projected Unit Credit method and debited to Profit & Loss Account on accrual basis. Charge to the Profit and Loss Account includes premium paid, current service cost, interest cost, expected return on plan assets and gain/loss in actuarial valuation during the year net of fund value of plan asset as on the balance sheet date.

9. **BORROWING COSTS :-**
Borrowing costs that are attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of cost of such asset till such time as the asset is ready for its intended use. A qualifying asset is an asset that necessarily requires a substantial period of time to get ready for its intended use. All other borrowing costs are recognised as an expense in the period in which they are incurred.
10. **TAXES ON INCOME:-**
Current tax is determined as the amount of tax payable in respect of taxable income for the year. Deferred tax is recognised, subject to consideration of prudence, on timing difference, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more year. Deferred tax assets arising on account of unabsorbed depreciation or carry forward of tax losses are recognized only to the extent that there is virtual certainty supported by convincing evidence that sufficient future tax income will be available against which such deferred tax assets can be realised.
11. **CONTINGENT LIABILITIES:-**
Contingent liabilities with possible present obligation are disclosed under Notes to Accounts. Contingent liabilities with probable present obligation are provided based on the current estimates.

B. NOTES TO ACCOUNTS:

1. Contingent Liabilities: (Rs. In Lacs)

| No | Particulars | As At 31.03.2010 | As At 31.03.2009 |
|----|---|---------------------|---------------------|
| a. | Estimated amount of contract remaining to be executed on capital account and not provided for | 1500.00 | 1500.00 |
| b. | Contingent Liability not provided for Bank Guarantees issued to Excise Department. | 38.55 | 39.53 |
| c. | Disputed Income Tax Demand | 183.69 | Nil |

2. **Employee Benefits**
Company has covered its gratuity liability by a Group Gratuity Plan issued by a Insurance Company. Under the plan, employee at retirement is eligible for benefit which will be equal to 15 days salary for each completed year of service.

Expenses recognized in the Profit and Loss Account for the year ended 31st March 2010 as determined on the basis of actuarial valuation.

Expenses recognized in the Statement of Profit and Loss Account

| No. | Particulars | Year Ended 31.03.2010 | Year Ended 31.03.2009 |
|-----|--------------------------------|--------------------------|--------------------------|
| 1 | Current Service Cost | 496,206 | 416,980 |
| 2 | Interest | 360,969 | 271,456 |
| 3 | Expected Return on plan assets | (22,399) | (14,713) |
| 4 | Actuarial (Gain)/Loss | 530,381 | 725,233 |
| 5 | Total expense | 1,365,157 | 1,398,956 |

II Net Asset/ (Liability) recognised in the Balance Sheet

| | | | |
|---|--|-------------|-------------|
| 1 | Present Value of Defined Benefit Obligation as at 31st March, 2009 | 5,678,898 | 4,342,082 |
| 2 | Fair Value of plan assets as at 31st March, 2009 | 1,079,212 | 134,585 |
| 3 | Funded status [Surplus/(Deficit)] | (4,599,686) | 4,207,497 |
| 4 | Net Asset/(Liability) as at 31st March, 2009 | (4,599,686) | (4,207,497) |

III Change in the obligation during the year

| | | | |
|---|--|-----------|-----------|
| 1 | Present Value of Defined Benefit Obligation at the beginning of the year | 4,342,082 | 3,015,216 |
| 2 | Current Service Cost | 496,206 | 416,980 |
| 3 | Interest Cost | 360,969 | 271,456 |
| 4 | Actuarial (Gain)/Loss | 530,381 | 716,430 |
| 5 | Benefit payments | (50,740) | (78,000) |
| 6 | Present Value of Defined Benefit Obligation at the end of the year | 5,678,898 | 4,342,082 |

IV **Change in Fair Value of Assets during the year**

| No. | Particulars | Year Ended 31.03.2010 | Year Ended 31.03.2009 |
|-----|--|--------------------------|--------------------------|
| 1 | Fair Value of plan assets at the beginning of the year | 134,585 | 206,675 |
| 2 | Expected return on plan assets | 22,399 | 14,713 |
| 3 | Contributions by employer | - | - |
| 4 | Actual benefits paid | (50,740) | (78,000) |
| 5 | Actuarial Gain/(Loss) on Plan Assets | - | (8,803) |
| 6 | Fair Value of plan assets at the end of the year | 1,079,212 | 134,585 |

V **The major categories of plan assets as a percentage of total plan**

| | | |
|-----------------|------|------|
| Funded with LIC | 100% | 100% |
|-----------------|------|------|

VI **Actuarial assumptions**

| | | | |
|---|--|-------|-------|
| 1 | Discount Rate | 7.50% | 7.50% |
| 2 | Expected rate of return on plan assets | 8.50% | 8.50% |

3. **Earnings and Expenditure in Foreign Currency:-**

(Rs. in Lacs)

| Particulars | 2009-10 | 2008-09 |
|---------------------------------|----------|---------|
| Earnings in Foreign Exchange | 13305.96 | 9844.10 |
| Expenditure in foreign currency | 1164.53 | 1776.96 |

4. **Taxation:-**

Deferred tax:

The deferred tax during the year for timing difference is accounted using tax rates that have been enacted or substantially enacted, the net difference arising thereon is debited to Profit and Loss Account.

The break-up of deferred tax assets and liabilities into major components at the year-end is as below:

(Rs. in Lacs)

| Particulars | 2009-10 | | 2008-09 | |
|--|-----------|---------|-----------|-------|
| | Liability | Asset | Liability | Asset |
| Depreciation | - | 13.09 | 70.13 | |
| Expenses accrued but disallowed and allowed on the basis of actual payment/on deduction of tax | - | 14.46 | | 10.19 |
| Disallowances Others | - | | | 5.75 |
| Total:- | - | 27.55 | 70.13 | 15.94 |
| Net Deferred Tax Liability / (Asset) | - | (27.55) | | 54.19 |

5. Related Party Disclosures

Disclosures as required by the Accounting Standard - 18 on 'Related Parties Disclosures' issued by the Institute of Chartered Accountants of India are as follows: "

AS 18 - RELATED PARTY DISCLOSURE

a. List of Related Parties

Associate Companies Entities

- 1 Kanji Pitamber Forex Pvt. Ltd.
- 2 Kanji Forex Pvt Ltd.
- 3 Genteel Trading Co. Pvt. Ltd.
- 4 Monochrome Investment Pvt. Ltd.
- 5 TVS Infrastructure Ltd.
- 6 Goodwill Cultivator Pvt. Ltd.
- 7 Bajaj Hindustan Sugar & Industries Ltd.
- 8 Bombay Gymkhana Ltd.
- 9 Florotek Bio Systems
- 10 Sathyashree Constructions
- 11 Ashtavinayak Enterprises
- 12 Patel Power Pvt. Ltd.

Key Management Personnel and Relatives

- | | | |
|---|------------------------|----------------------|
| 1 | Mr.Govind.G.Desai | Chairman |
| 2 | Mr.Shibroor N. Kamath | Managing Director |
| 3 | Mr.Gautam R. Ashra | Director |
| 4 | Mr.Mahendra N. Thakkar | Director |
| 5 | Mr.Satej M. Katekar | Director |
| 6 | Dr.Vibha N. Kamath | Whole Time Director |
| 7 | Ms.Shruti N. Kamath | Whole Time Director |
| 8 | Mrs.Mamta G. Ashra | Relative of Director |

- b. Transactions during the year and balances outstanding as on March 31, 2010 with related Parties were as follows
(Previous years figures are given in bracket)

| Name | (Rs. in Lacs) | | |
|-------------------------|---------------|--------------|------------------------------|
| | Sitting Fees | Remuneration | Outstanding as 31.03.2010 |
| | | | Debtors |
| Mr. Govind G.Desai | 0.80 | - | - |
| | (0.80) | - | - |
| Mr. Gautam R. Ashra | 0.80 | - | - |
| | (0.80) | - | - |
| Mr. Mahendra N. Thakkar | 0.80 | - | - |
| | (0.80) | - | - |
| Mr. Satej M. Katekar | (0.80) | - | - |
| | - | - | - |
| Ms. Shruti N. Kamath | - | 7.60 | - |
| | - | (5.50) | - |
| Mr. Shibroor N. Kamath | - | 56.00 | - |
| | - | (44.00) | (9.36) |
| Dr. Vibha N. Kamath | 0.80 | 0.80 | - |
| | (0.60) | - | - |

6. Earnings per share

Earning Per Share is calculated by dividing the profit attributable to the equity shareholders by the average number of equity shares outstanding during the year. Numbers used for calculating basic and diluted earning per share are as stated below:

| Particulars | March 31, 2010 | March 31, 2009 |
|---------------------------|----------------|----------------|
| Profit after tax | 44,354,6178 | 37,45,32,105 |
| Weighted number of Shares | 10,31,46,672 | 10,31,46,672 |
| Basic & Diluted EPS | 4.04 | 3.63 |

7. Financial & Derivative Instruments:

The Company has entered into Forward Exchange Contracts (being a derivative instrument), which are not intended for trading or speculative purpose, but are for hedge purpose, to establish the amount of reporting currency required or available at the settlement date of certain receivables. The sell contracts outstanding as on 31st March 2010 were to the tune of USD 19,00,000 (P.Y. USD 49,00,000) & EURO 3,75,000 (P.Y. EURO Nil) with INR as cross currency.

The foreign currency exposure, which is not hedged as at the end of the year, is:

(Rs. in Lacs)

| Particulars | 2009-10 | 2008-09 |
|--|--|---|
| a) Amount payable in foreign currency on account of import of Goods and its equivalent Indian Rupees | \$ Nil Rs. Nil | \$1.52 Rs. 74.82 |
| b) Amount receivable in foreign currency on export of goods and its equivalent Indian Rupees | \$141.63 Rs 6611.28 16.36 Rs. 1078.23 | \$102.86 Rs. 4873.82 15.28 Rs.975.61 |
| Hedged | \$19.00 3.75 | \$49.00 Nil |
| Unhedged | \$122.63 12.61 | \$53.86 15.28 |

8. Note on Segment Disclosure

The Company operates primarily in the pharmaceutical business hence has only single reportable business segment. Further, in the opinion of the management, there is no reportable geographical segment.

9. Remuneration paid to the Managing Director & Whole Time Director is as under:

(Rs. in Lacs)

| Particulars | 2009-10 | 2008-09 |
|-----------------------------------|---------|---------|
| a) Salary | 41.40 | 29.70 |
| b) Contribution to Provident Fund | 4.08 | 3.56 |
| c) Perquisites | 23.00 | 19.80 |

10. Disclosure required under Micro, small and medium Enterprises Development Act, 2006, (the Act) are given as follows :

(Rs. in Lacs)

| Particulars | 2009-10 | 2008-09 |
|---|---------|---------|
| a) Principal Amount Due | 295.99 | 206.82 |
| b) Interest Due on the above | - | - |
| c) Principal amount paid during the year beyond appointed day | - | - |
| d) Interest paid during the year beyond the appointed day | - | - |
| e) Amount of interest due and payable for the period of delay in making payment without adding the interest specified under the Act | - | - |
| f) Amount of interest accrued and remaining unpaid at the end of the year | - | - |
| g) Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Act | - | - |

11. Previous year figures have been regrouped, reclassified and rearranged wherever necessary.

12. Quantitative Details as annexed in Annexure

As per our report of even date

For B.K.KHARE & CO.

CHARTERED ACCOUNTANTS

SANTOSH PARAB

Partner

Place : Mumbai

Date : 29.05.2010

For & on behalf of the Board

GOVIND G. DESAI - Chairman

SHIBROOR N. KAMATH - Managing Director

GAUTAM R. ASHRA - Director

MAHENDRA N. THAKKAR - Director

SATEJ M. KATEKAR - Director

DR.VIBHA N. KAMATH - Whole Time Director

SHRUTI N. KAMATH - Whole Time Director

ANNEXURE I

QUANTITATIVE INFORMATION IN REGARDS TO GOODS MANUFACTURED BY THE COMPANY IS AS FOLLOWS:-

Additional information pursuant to the provision of paragraph 3.4C & 4D of part II of Schedule VI of Companies Act, 1956.

Details of licenced capacity production and sales of the goods manufactured

(I) Details of Goods Manufactured /Sales/Stocks(Previous year figures are given in parantheses)

(Rs. & Qty. In Lacs)

| Class of Goods | Unit of Measure | Licensed Capacity | Installed Capacity (a) | Opening Stock | | Production Purchase (b)* | Sales (c)* | | Closing Stock | |
|--------------------------|-----------------|-------------------|------------------------|------------------|--------------------|--------------------------|--------------------|--------------------------|------------------|--------------------|
| | | | | Qty. | Value Rs. | Qty. | Qty. | Value Rs. | Qty. | Value Rs. |
| Manufactured & Items | | | | | | | | | | |
| (a) Pharma | Ltrs/Kgs/Nos. | N.A. | N.A. | 30.61 (40.16) | 264.56 (283.85) | 627.56 (725.65) | 625.93 (727.08) | 16,183.04 (13,065.83) | 30.70 (30.61) | 350.94 (264.56) |
| (b) Health Care Products | Nos./boxes | N.A. | N.A. | 0.70 (0.93) | 2.30 (3.69) | 17.40 (15.34) | 16.64 (14.27) | 315.82 (261.61) | 0.35 (0.70) | 1.72 (2.30) |
| (B) Trading Items | Nos./boxes | N.A. | N.A. | 0.25 - | 1.69 0.00 | 2.30 2,581.35 | 2.27 43.93 | 388.68 2,878.72 | 0.26 (0.25) | 1.86 (1.69) |
| | | | | 31.55 (41.10) | 268.54 (287.54) | 647.26 (740.99) | 644.83 (741.35) | 16,887.53 (13,327.44) | 31.31 (31.55) | 354.51 (268.54) |

II. Raw Material Consumption

(Rs. In Lacs)

| Particulars | As on 31.03.2010 | | As on 31.03.2009 | |
|--|------------------|---------|------------------|---------|
| | Qty(kg) | Value | Qty(kg) | Value |
| 1. Raw Material (basic) Consumed | | | | |
| a. Nonoxynol | 889.43 | 0.86 | 761.86 | 0.85 |
| b. Pvc/pe Film | 30640.56 | 60.94 | 32893.31 | 35.58 |
| c. Artemether | 5534.28 | 1367.92 | 2992.83 | 519.36 |
| d. Lumefantrine | 29547.69 | 1079.09 | 16359.54 | 577.02 |
| e. Dihydroartemisinin | 1999.97 | 314.36 | 1358.10 | 130.52 |
| f. Other Chemical & Chemical Base | 1337649.84 | 5277.69 | 6857167.70 | 4797.98 |
| | | 8100.86 | | 6061.31 |
| Of Which | | | | |
| Imported | | 862.39 | 15% | 905.01 |
| Indigenous | | 7238.47 | 85% | 5156.30 |
| 2. Value Of Import Calculated On C.I.F. Basis: | | | | |
| Raw Material | | 862.39 | | 905.01 |
| Packing Material | | Nil | | Nil |

**INFORMATION PURSUANT TO PART IV OF SCHEDULE VI TO THE COMPANIES ACT, 1956.
BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE**

I. REGISTRATION DETAILS

| | | |
|--------------------------|-----------------|---------------------------------|
| REGISTRATION NO. - 34771 | STATE CODE - 11 | BALANCE SHEET DATE - 31.03.2010 |
|--------------------------|-----------------|---------------------------------|

II. CAPITAL RAISED DURING THE YEAR AMOUNT Rs. IN LACS (Amount Rs. in Lacs)

| | | | |
|---|-------------------|-------------------|-------------------------|
| PUBLIC ISSUE - NIL | RIGHT ISSUE - NIL | BONUS ISSUE - NIL | PRIVATE PLACEMENT - NIL |
| SHARES ISSUED AGAINST THE DETACHABLE WARRANTS : NIL | | | |

III. POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS (Amount Rs. in Lacs)

| | | | |
|-------------------|-----------|--------------|-----------|
| TOTAL LIABILITIES | 14,084.94 | TOTAL ASSETS | 14,084.94 |
|-------------------|-----------|--------------|-----------|

SOURCES OF FUNDS

| | | | |
|---|----------------------|---------------|-----------------|
| PAID UP CAPITAL | RESERVES & SURPLUSES | SECURED LOANS | UNSECURED LOANS |
| 1,031.47 | 12,289.26 | 764.21 | NIL |
| UPFRONT PAYMENT FOR ALLOTMENT OF WARRANTS : NIL | | | |

APPLICATION OF FUNDS (Amount Rs. in Lacs)

| | | | | |
|------------------|------------|--------------------|-------------------|--------------------|
| NET FIXED ASSETS | INVESTMENT | NET CURRENT ASSETS | MISC. EXPENDITURE | ACCUMULATED LOSSES |
| 2,361.51 | 0.01 | 11,695.87 | NIL | NIL |

IV. PERFORMANCE OF COMPANY (Amount Rs. in Lacs)

| | | | | | |
|-----------|-------------------|-------------------|------------------|-------------------|-------------------|
| TURNOVER | TOTAL EXPENDITURE | PROFIT BEFORE TAX | PROFIT AFTER TAX | EARNING PER SHARE | DIVIDEND RATE (%) |
| 16,887.53 | 12,537.63 | 4,575.52 | 4,172.16 | 4.04 | 50% |

V. GENERIC NAMES OF THREE PRINCIPAL PRODUCTS OF COMPANY

| | |
|---|--|
| ITEM CODE NO. (ITC CODE) PRODUCT DESCRIPTION | NONOXYNOL 9 VAGINAL CONTRACEPTIVE |
| ITEM CODE NO. (ITC CODE) PRODUCT DESCRIPTION | 100MG CLOTRIMAZOLE VAGINAL PESSARIES & SUPPOSITORIES |
| ITEM CODE NO. (ITC CODE) PRODUCT DESCRIPTION | HYDROCORTISONE ANAL SUPPOSITORIES |

BLISS GVS PHARMA LIMITED

Registered Office : 6/29 A, Udit Mittal Industrial Society, Andheri-Kurla Road, Andheri (E), Mumbai - 400 059.

PROXY FORM Annual General Meeting 2009-2010

Folio No. _____ DP ID No. _____ Client ID _____ No. of Shares _____

I/We, _____ of _____ in the
district of _____ being a member / members of the above named company hereby appoint

Mr./Ms./ Kum. _____ in the district of

_____ as my/our Proxy to attend and note for me/us on my/our behalf at the 25th Annual General
Meeting of the Company to be held at Hotel Mirador, New Link Road, Andheri (East), Mumbai - 400 059 on Tuesday, the
3rd August, 2010 at 10.00 a.m. and at any adjournment thereof.

Signed _____ this day of _____, 2010.

Address _____

Affix
Re.1
Revenue

Member's Signature _____

Note : The proxy form duly completed must be deposited at the Registered Office of the company not less than 48 hours
before the time for holding the meeting. A proxy need not be a member.

BLISS GVS PHARMA LIMITED

Registered Office : 6/29 A, Udit Mittal Industrial Society, Andheri-Kurla Road, Andheri (E), Mumbai - 400 059.

PROXY FORM Annual General Meeting 2009-2010 To be handed over at the entrance of Meeting Hall

I hereby record my presence at the 25th Annual General Meeting of the Company to be held at Hotel Mirador, New Link
Road, Andheri (East), Mumbai - 400 059 on Tuesday, the 3rd August, 2010 at 10.00 a.m.

Name of the Member : _____

Folio / Client ID No. _____

Name of the Proxy /Representative (in Block Letters)
(To be filled in if the Proxy / Representative attends
Instead of the Member)

Signature of the Member or Proxy /Representative _____



BLISS GVS PHARMA LTD.

Regd. Office : 6/29 - A, Udit Mittal Estate, Andheri - Kurla Road, Andheri (E), Mumbai - 400 059, INDIA.
Tel. : +91-22-28505387 / 28500870 • Fax : +91-22-28553830 • Website : www.blissgvspharma.com