

CLINIGENE INTERNATIONAL LIMITED

Directors Report

Dear Shareholders,

Your Directors are pleased to present the Tenth Annual Report of the Company, along with its Audited Accounts, for the year ended 31st March 2010.

The financial highlights for the year under review are given below:

Financial Highlights

	Rs in Millions	
	March 31, 2010	March 31, 2009
Total revenues	403.3	330.5
Total expenditure	336.8	239.2
Profit before interest depreciation and tax	66.5	91.3
Depreciation & Interest	44.5	44.5
Profit before tax	22.0	46.7
Provision for tax	Nil	(1.4)
Profit /(Loss) after tax	22.0	45.3

Performance Analysis

For the year under review, The Company registered revenue of Rs. 403 million as against Rs. 330 million in the previous year and earned a profit of Rs. 22 million as against a profit Rs. 45 million in the previous year. Even in a challenging market scenario, the Company has made good inroads and achieved a 22% growth in revenues. The profits have been impacted due to certain fixed costs relating to new areas of service offerings, additional facilities and forex fluctuation.

Directors

Prof.Ravi Mazumdar retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-election.

Personnel

The Company has strong knowledge base with a total strength of 139 employees (135 in the previous year).

Auditors

The statutory auditors M/s. S.R.Batliboi & Associates, Chartered Accountants (Firm Registration Number 101049W), Bangalore, Statutory Auditors of the Company retire and offer themselves for re-appointment as the Statutory Auditors of the Company pursuant to Section 224 of the Companies Act, 1956.

Fixed Deposits

Your Company has not accepted any deposits from the public and as such, no principal or interest was outstanding as of the balance sheet date.

Particulars of Employees under Section 217 (2A)

The information required to be furnished under Section 217 (2A) of the Companies Act, 1956 read with Companies (Particulars of employees) Rules, and 1975 is annexed hereto.

Conservation Of Energy, Research & Development, Technology Absorption and Foreign Exchange Earnings & Outflow

The Company's primary business is Clinical Trial and Research. All clinical trials are being carried out in compliance with the ICH guidelines. Laboratory data meets CAP specifications. A state-of-the-art Human Pharmacology Unit has been set up to conduct Phase I, Bioequivalence and Bioavailability studies.

The Company is committed to energy conservation and adheres to international standards in terms of hygiene, health, safety, environment, and pollution control.

The Company has not imported any technology for absorption.

Foreign Exchange Earnings & Outflow

Total earnings in foreign exchange during the year - Rs. 250.30 million
(Previous year Rs. 187.6 million)

Total out flow of foreign exchange during the year - Rs. 22.9 million
(Previous year Rs. 43.5 million)

Directors' Responsibility Statement

Pursuant to Section 217(2AA) of the Companies Act, 1956, the Board of Directors hereby confirm as under:

- i) In preparation of annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- ii) We have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- iii) We 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) We have prepared the annual accounts on a going concern basis.

Acknowledgments

Your Directors thank clients, vendors, banks, regulatory and government authorities for their continued goodwill, patronage and support.

Your Directors place on record their deep appreciation of the valuable contribution made by all staff at all levels through their hard work, dedication and commitment. The enthusiasm and unstinting efforts of the employees have enabled the Company to remain at the forefront of the industry.

For and on behalf of the Board

Ms. Kiran Mazumdar- Shaw
Chairman
April 28, 2010

Annexure to Directors Report

Si. No.	Employee Name	Designation and Nature of Duties	Age	Remuneration Rs.	Qualification	Date of Commencement of Employment	Last Employment
1	Dr.Anil K	Deputy General Manager	38	4,647,669	MBBS, MD	02/06/2003	Head Clinical., Lotus Labs Pvt Ltd
2	Dr. Gopalkrishna Pai	General Manager	47	3,115,440	MSc, Ph d	16/02/2009	Director Clinical Operation Adamas Pharmaceuticals Pvt Ltd
3	Ms Lakshmi Achutha	Sr. Manager	40	2,893,248	MSc	03/05/1993	--
4	Mukesh Kamath	Sr.Manager	39	2,621,957	B Com., ACA	12/11/2004	Unit Accountant United Breweries Ltd
5	Dr.Shrinivasa Savle	Deputy General Manager	39	5,346,726	Mpharm., Ph d	12/06/2003	--