CLINIGENE INTERNATIONAL LIMITED
BALANCE SHEET AS AT MARCH 31, 2008

(All amounts in Indian Rupees thousands)

	Notes	March 31, 2008	March 31, 2007
SOURCES OF FUNDS			
SHAREHOLDERS' FUNDS			
Capital	3(a)	500	500
Reserves and surplus	3(b)	1,003	1,003
		1,503	**1,503**
LOAN FUNDS			
Secured loan	4	70,000	150,000
Unsecured loan	5	299,923	164,380
		371,426	315,883
APPLICATION OF FUNDS			
FIXED ASSETS	6		
Cost		388,711	206,601
Less: Accumulated depreciation		56,915	31,744
		331,796	174,857
Capital work-in-progress [including capital advances of Rs nil (March 31, 2007 - Rs.2,745)]		826	86,457
Net book value		332,622	261,314
CURRENT ASSETS, LOANS AND ADVANCES			
Sundry debtors	7	72,817	66,865
Cash and bank balances	8	36	9,464
Loans and advances	9	36,738	13,663
		109,591	89,992
LESS: CURRENT LIABILITIES AND PROVISIONS			
Liabilities	10	100,182	88,139
Provisions		1,812	2,230
		101,994	90,369
NET CURRENT ASSETS		7,597	(377)
PROFIT AND LOSS ACCOUNT		31,207	54,946
		371,426	315,883

The accompanying notes 1 to 21 form an integral part of the balance sheet.

As per our report of even date

For S.R. BATLIBOI & ASSOCIATES
Chartered Accountants

For and on behalf of the Board of Directors of Clinigene International Limited

per Sunil Bhumralkar
Partner
Membership No: 35141

Kiran Mazumdar Shaw
Director

JMM Shaw
Director

Bangalore
April 21, 2008

Murali Krishnan KN
President - Group Finance

CLINIGENE INTERNATIONAL LIMITED
PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2008

(All amounts in Indian Rupees thousands, except for share data and per share data)

	Notes	March 31, 2008	March 31, 2007
INCOME			
Contract research fees		227,163	115,502
		227,163	115,502
EXPENDITURE			
Contract research and other operating expenses	11	166,248	85,460
Interest and finance charges	12	9,807	9,010
		176,055	94,470
PROFIT BEFORE DEPRECIATION AND TAX		51,108	21,032
Depreciation	6	26,751	12,801
PROFIT BEFORE TAX		24,357	8,231
Provision for taxation			
Fringe benefit tax	13	618	419
NET PROFIT FOR THE YEAR		23,739	7,812
Losses brought forward from previous year		54,946	62,758
BALANCE, END OF THE YEAR		31,207	54,946
Earnings per share (equity shares, par value Rs 10 each) Basic and diluted (in Rs)		474.78	156.24
Weighted average number of shares used in computing Earnings per share, basic and diluted		50,000	50,000

The accompanying notes 1 to 21 form an integral part of the profit and loss account.

As per our report of even date

For S.R. BATLIBOI & ASSOCIATES
Chartered Accountants

per Sunil Bhumralkar
Partner
Membership No: 35141

Bangalore
April 21, 2008

For and on behalf of the Board of Directors of
Clinigene International Limited

Kiran Mazumdar Shaw
Director

JMM Shaw
Director

Murali Krishnan KN
President - Group Finance

CLINIGENE INTERNATIONAL LIMITED
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2008

(All amounts in Indian Rupees thousands)

		March 31, 2008	March 31, 2007
I	**CASH FLOWS FROM OPERATING ACTIVITIES:**		
	Profit before tax	**24,357**	**8,231**
	Add: Non cash items		
	Depreciation	26,751	12,801
	Loss on disposal of leasehold improvements	380	-
	Interest and finance charges	9,807	9,010
	Other income		
	Changes in working capital and other provisions:		
	Sundry debtors	(5,952)	(30,835)
	Loans and advances	(18,540)	(9,081)
	Current liabilities and provisions (including book overdraft)	46,294	15,467
	Cash generated from operations	83,097	5,593
	Taxes paid	(5,148)	(1,795)
	Net cash provided by operations	77,949	3,798
II	**CASH FLOWS FROM INVESTING ACTIVITIES:**		
	Purchase of fixed assets	(133,113)	(38,267)
	Net cash used in investing activities	(133,113)	(38,267)
III	**CASH FLOWS FROM FINANCING ACTIVITIES:**		
	Proceeds from unsecured loan, net	135,543	(97,245)
	Proceeds from term loan	-	150,000
	Repayment of term loan	(80,000)	-
	Interest and finance charges paid	(9,807)	(9,010)
	Net cash provided by financing activities	45,736	43,745
IV	**NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (I+II+III)**	**(9,428)**	**9,276**
V	**CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR**	**9,464**	**188**
VI	**CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR (IV + V)**	36	9,464
	COMPONENTS OF CASH AND CASH EQUIVALENTS AS AT THE END OF THE YEAR		
	Cash on hand	36	34
	Balances with Banks - on current accounts	-	9,430
		36	9,464

As per our report of even date

For S.R. BATLIBOI & ASSOCIATES
Chartered Accountants

per Sunil Bhumralkar
Partner
Membership No: 35141

Bangalore
April 21, 2008

For and on behalf of the Board of Directors of
Clinigene International Limited

Kiran Mazumdar Shaw
Director

JMM Shaw
Director

Murali Krishnan K N
President - Group Finance

CLINIGENE INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2008

(All amounts in Indian Rupees are in thousands, except share data and per share data)

1. Background

Clinigene International Limited ('Clinigene or 'the Company') was incorporated on August 4, 2000 and became a subsidiary of Biocon Limited ('Biocon'), on March 31, 2001.

The Company was formed to undertake clinical research activities on discovering new biomarkers and is extending its activity to discovering new diseases subsets and novel data based on pharmacogenomics. The Company has entered into contracts with domestic and international companies to undertake these activities with respect to chronic diseases such as diabetes, osteoporosis, asthma etc, and commenced commercial operations effective December 2000.

2. Statement of significant accounting policies

a. (i) Basis of preparation

The financial statements have been prepared to comply in all material respects with the accounting standards, notified by the Companies Accounting Standards Rules, 2006 and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared under the historical cost convention, on an accrual basis. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in accounting policy hitherto in use.

The Company, as at March 31, 2008, has accumulated losses of Rs 31,207 and negative net worth of Rs 29,704. Biocon has committed to fund capital and operating expenditure requirements of the Company through a long term loan, until Clinigene achieves its planned growth and is able to fund its own operations. The management of the Company is confident that the Company would achieve a profitable growth and accordingly, the financial statements have been prepared on a going concern basis.

(ii) Changes in Accounting Policies

Accounting for foreign exchange differences

Effective April 1, 2007, foreign exchange gains or losses on liabilities pertaining to acquisition of fixed assets from outside India are recorded in the profit and loss account. Until March 31, 2007, such foreign exchange gains or losses were adjusted with the cost of the respective fixed assets. This change does not have a material impact on the financial statements of the Company for the year ended March 31, 2008.

b. Fixed assets and depreciation

Fixed assets are stated at cost less impairment loss, if any, and accumulated depreciation. The Company capitalises all costs relating to the acquisition and installation of fixed assets. Fixed assets are depreciated pro rata to the period of use, on the straight line method at the annual rates based on the estimated useful life of the assets, or at the rates prescribed under schedule XIV of the Companies Act, 1956 whichever is higher, as follows.

	Per cent
Buildings	4.00
Plant and machinery	11.11 - 33.33
Furniture and fixtures	16.67
Vehicles	16.67

Assets individually costing less than Rs 5 are fully depreciated in the year of purchase.

c. Impairment of assets

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life. A previously recognised impairment loss is increased or reversed depending on changes in circumstances. However the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation if there was no impairment.

d. Revenue recognition

The Company enters into two types of contract research arrangements and the revenues therefrom are recognised net of service tax on the following basis:

i). *Time and material management*
Revenues are recognised as services are rendered, in accordance with contractual agreements.

ii). *Fixed price arrangement*
Revenues relating to fixed price contracts are recognised based on the percentage of completion method.

e. Investments

Investments, that are readily realisable and intended to be held for not more than twelve months, are classified as current investments. All other investments are classified as long-term investments. All other investments are classified as long-term investments. Long term investments are stated at cost. However, provision for diminution in value is made to recognise a decline other than temporary in the value of the investments. Current investments are carried at a lower of cost and fair value and determined on an individual investment basis.

f. Retirement benefits

Effective April 1, 2006, the Company adopted the revised accounting standard on employee benefits. The Company has schemes of retirement benefits for provident fund and gratuity. Provident fund is a defined contribution scheme and the contributions are charged to the Profit & Loss Account of the year when the contributions to the government funds are due.

Gratuity liability is defined benefit obligation and is provided for on the basis of an actuarial valuation made as at the Balance Sheet date. The gratuity benefit of the Company is administered by a trust formed for this purpose through the group gratuity scheme with Birla Sun Life Insurance Company Limited ('Birla Sunlife'). Actuarial gains/losses are immediately taken to the profit and loss account and are not deferred.

Liability for leave encashment is in accordance with the rules of the Company. Short term compensated absences are provided based on estimates. Long term compensated absences are provided based on an actuarial valuation as at the balance sheet date.

g. Foreign currency transactions

Initial Recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

Conversion

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction; and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

Exchange Differences

Exchange differences arising on the settlement of monetary items or on the Company's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognised as income or as expenses in the year in which they arise.

Exchange differences relating to the acquisition of fixed assets are recorded to Profit and Loss Account.

h. Income tax

Tax expense comprises current, deferred and fringe benefit tax. Current income tax and fringe benefit tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act. Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets and deferred tax liabilities across various countries of operation are not set off against each other as the company does not have a legal right to do so. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits

At each balance sheet date the Company re-assesses unrecognised deferred tax assets. It recognises unrecognised deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be that sufficient future taxable income will be available against which such deferred tax assets can be realised.

i. Borrowing Costs

Borrowing costs that are attributable to the acquisition and construction of a qualifying asset are capitalised as a part of the cost of the asset. Other borrowing costs are recognised as an expense in the year in which they are incurred.

j. Earnings per share

Earnings considered in ascertaining the Company's earnings per share comprise of the net profit after tax. The number of shares used in computing the basic earnings per share is the weighted average number of shares outstanding during the year. The number of shares used in computing diluted earnings per share comprises the weighted average share considered for deriving basic earnings per share, and also the weighted average number of shares, which would have been issued on the conversion of dilutive potential equity shares, if any.

k. Operating lease

Where the Company is a Lessee:

Leases of assets under which all the risks and rewards of ownership are effectively retained by the lessor are classified as operating leases. Lease payments under operating leases are recognised as an expense on a straight-line basis over the lease term.

l. Segment reporting

Identification of segments:

The Company's operating businesses are organised and managed separately according to the nature of services/products, with each segment representing a strategic business unit. The analysis of geographical segments is based on the areas in which Company's services are sold.

Inter-segment Transfers:

The Company generally accounts for inter-segment sales and transfers as if the sales or transfers were to third parties at current market prices.

Allocation of common costs:

Common allocable costs are allocated to each segment according to the relative contribution of each segment to the total common costs.

Unallocated items:

The Corporate and other segment include general corporate income and expense items which are not allocated to any business segment.

m. Provisions

A provision is recognised when an enterprise has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

n. Expenditure on new projects and substantial expansion

Expenditure directly relating to construction activity is capitalised. Indirect expenditure incurred during construction period is capitalised as part of the indirect construction cost to the extent to which the expenditure is indirectly related to construction or is incidental thereto. Other indirect expenditure (including borrowing costs) incurred during the construction period which is not related to the construction activity nor is incidental thereto is charged to the Profit and Loss Account. Income earned during construction period is deducted from the total of the indirect expenditure. All direct capital expenditure on expansion is capitalised. As regards indirect expenditure on expansion, only that portion is capitalised which represents the marginal increase in such expenditure involved as a result of capital expansion. Both direct and indirect expenditure are capitalised only if they increase the value of the asset beyond its original standard of performance.

	March 31, 2008	March 31, 2007
3(a) Capital		
Authorised:		
500,000 (March 31, 2007 - 500,000) equity shares of Rs 10 each	5,000	5,000
Issued, subscribed and paid-up:		
50,000 (March 31, 2007 - 50,000) equity shares of Rs 10 each, fully paid	500	500

As on the balance sheet date, the entire share capital of the Company was held by Biocon Limited, the holding company and its nominee.

3(b) Reserves and surplus

General reserve		
Balance	1,003	1,003

4. Secured loan

Term Loan	70,000	150,000

On June 22, 2006, the Company entered into an agreement with Citibank N.A. for a long term rupee loan facility of Rs 150,000. The loan is repayable in eight quarterly installments commencing June 30, 2007 and secured by an equitable mortgage on the immovable property i.e., building at Semicon Park. The loan carries an interest rate of 8.08% per annum payable at monthly rates. Amount payable within one year Rs. 70,000 (March 31, 2007- Rs. 80,000)

5. Unsecured loan

Unsecured loan	299,923	164,380

The Company has entered into an agreement with Biocon Limited, the holding company, for an interest free loan not exceeding Rs 300,000 to support its operational costs and capital expenditure, and the loan is repayable over the period ending March 31, 2011.

The maximum amount outstanding during the year was Rs 329,177 (March 31, 2007 - Rs 266,803).

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6. Fixed Assets	Balance at the beginning of the year	Additions during the year	Deletions during the year	Balance at the end of the year
Cost				
Land	42,242	-	-	42,242
Building	84,483	39,122	-	123,605
Leasehold improvements	1,962	-	1,962	-
Plant and machinery	66,532	99,399	-	165,931
Air conditioners	2,300	-	-	2,300
Furniture and fixtures	3,752	35,029	-	38,781
Computers	3,887	10,254	-	14,141
Vehicles	1,443	268		1,711
	206,601	184,072	1,962	388,711
Year ended March 31, 2007	*203,099*	*3,502*	*-*	*206,601*
Accumulated depreciation				
Building	3,676	4,456	-	8,132
Leasehold improvements	1,252	328	1,580	-
Plant and machinery	21,012	13,785	-	34,797
Air conditioners	1,210	377	-	1,587
Furniture and fixtures	2,105	4,867	-	6,972
Computers	2,347	2,653	-	5,000
Vehicles	142	285	-	427
	31,744	26,751	1,580	56,915
Year ended March 31, 2007	*18,943*	*12,801*	*-*	*31,744*
Net book value				
Land	42,242			42,242
Building	80,807			115,473
Leasehold improvements	710			-
Plant and machinery	45,520			131,134
Air conditioners	1,090			713
Furniture and fixtures	1,647			31,809
Computers	1,540			9,141
Vehicles	1,301			1,284
	174,857			331,796
Year ended March 31, 2007	*184,156*			*174,857*

a) Effective April 1, 2007, foreign exchange gain of Rs 854 on liabilities relating to fixed assets are recorded in profit and loss account. For the year ended March 31, 2007 net foreign exchange loss of Rs 29 was adjusted in fixed assets. [Refer Note 2 (a) (ii)]

	March 31, 2008	March 31, 2007
7. Sundry debtors (unsecured, considered good)		
Debts outstanding for period exceeding six months	1,330	3,250
Others	71,487	63,615
	72,817	66,865

The above includes receivables of Rs 19,122 (March 31, 2007 - Rs 34,565) from Biocon Limited, Holding Company. The above includes unbilled receivables of Rs 42,722 (March 31, 2007 - Rs 32,704).

8. Cash and bank balances		
Cash on hand	36	34
Balances with scheduled banks in:		
Current account	-	9,430
	36	9,464
9. Loans and advances (unsecured, considered good)		
Advances recoverable in cash or in kind or for value to be received	482	21
Balances with Customs ,Excise and sales tax authorities	1,919	2,872
Advance to suppliers	24,822	7,584
Prepaid expenses	891	97
Tax deducted at source, net of provision	6,007	1,472
Deposits	2,617	1,617
	36,738	13,663
10. Current liabilities and provisions		
Current liabilities		
Sundry creditors		
Capital	18,960	53,629
Others	7,922	6,024
Advance from customers	28,965	15,089
Book overdraft with bank	7,375	-
Other liabilities	36,960	13,397
	100,182	88,139
Provisions for		
Leave encashment	1,812	1,147
Gratuity	-	1,083
	1,812	2,230
	101,994	90,369

(a) Based on the information available with the Company, there are no suppliers who are registered as micro, small and medium enterprises as defined under The Micro, Small and Medium Enterprise Development Act, 2006.

	March 31, 2008	March 31, 2007
11. Contract research and other operating expenses		
Chemicals and reagents consumed	16,935	8,181
Consultancy fees	11,075	9,230
Employee costs		
Salaries, allowances and bonus	39,124	26,046
Contribution to provident fund	1,891	1,307
Gratuity and leave encashment	199	1,260
Employee stock compensation expense (See Note 14)	4,096	3,069
Welfare expenses	1,837	570
Power	4,258	777
Rent	616	760
Communication	6,062	1,078
Travelling and conveyance	5,755	4,795
Professional charges	3,746	2,546
Insurance	340	949
Rates and taxes	1,130	1,219
Lease rentals	148	148
Foreign exchange loss, net	152	112
Repairs and maintenance		
Plant & machinery	528	285
Buildings	1,243	1,194
Others	1,363	1,596
Sales promotion	328	140
Loss on disposal of leasehold improvements	380	-
Printing and stationery	2,399	1,226
Other clinical trial costs	55,281	12,907
Miscellaneous expenses	7,362	6,065
	166,248	85,460

12. Interest and finance charges

Interest expense	9,742	8,968
Bank charges	65	42
	9,807	9,010

13. Income taxes

The company has recognised deferred tax asset resulting from the tax loss carry forward as at March 31, 2008, in accordance with the Company's accounting policy in this regard

14. Related party transactions

Sl No	Name of the related party	Relationship	Description	April 1, 2007 to March 31, 2008	Balance as at March 31, 2008 Payable/ (Receivable)	April 1, 2006 to March 31, 2007	Balance as at March 31, 2007 Payable/ (Receivable)
1	Biocon Limited	Holding company	Unsecured loan	135,403	299,923	(97,965)	164,380
			Management charges payable [Note (ii)]	1,200	-	600	-
			Contract research services rendered [Note (iii)]	(48,615)	(19,122)	(34,565)	(23,397)
			Rent paid	140	-	240	-
			ESOP compensation expense [Note (i)]	4,096	-	3,069	-
			Power charges paid	280	-	480	-
2	Syngene International Limited	Fellow subsidiary company	Contract research services rendered [Note (iv)]	(3,502)	-	-	-
3	Biocon Biopharmaceuticals Pvt Limited	Associate company	Contract research services rendered [Note (v)]	(175)	-	(5,580)	-

Notes:

(i) Biocon Limited has given stock options in Biocon to certain employees of Clinigene. Biocon has not charged the compensation cost to the extent of Rs 96 (March 31, 2007 - Rs 128) under the ESOP Plan 2000. In addition, on July 18, 2006, Biocon has granted stock options under Grant IV to the employees of Clinigene and charged compensation cost of Rs 4,096 (March 31,2007 Rs. 3,069) to Clinigene. This compensation cost has been recognised as employee compensation expenses under Schedule 11.

(ii) Effective January 1, 2004, Biocon has entered into an agreement with the Company to provide general management support, for which an agreed upon management charge has been levied.

(iii) The Company has entered into an agreement with Biocon to provide professional services in the nature of clinical trials for Biocon. The current year revenue from those services amounts to Rs 46,677 (March 31, 2007 - Rs 34,565). The company also rendered professional services amounting to Rs. 1,938 (March 31, 2007- Rs. Nil)

(iv) The current year revenue from professional services amounts to Rs 2,325 (March 31, 2007 - Rs Nil) and annual health check up of employees amount to Rs. 1,177. (March 31, 2007 - Rs. Nil)

(v) The Company has provided Annual Health check up facilty to the employees of Biocon Biopharmaceuticals Pvt Limited . The revenue from such services amounts to Rs. 175 (March 31 , 2007- Nil)

(vi) Biocon Limited has given corporate guarantee of Rs 27,205 (March 31, 2007 - Rs 27,205) to the Customs and Excise Department ('CED') on behalf of the Company.
In addition to this Biocon has given corporate guarantee for Rs. 1,50,000 to CitiBank for grant of term loan.

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15. Employee Benefit Plans

The Company has defined contributory plans for retirement benefits of employees. A summary of the gratuity plan is as follows

Fund balance

	March 31, 2008	March 31, 2007
Defined benefit obligation	1,823	2,061
Fair value of plan assets	2,290	978
Plan Liability	(467)	1,083

The change in benefit obligation and funded status of the gratuity plan for the year ended March 31, 2008 is as follows:

Change in benefit obligation		
Benefit obligation at the beginning of the year	2,061	960
Current Service cost	(215)	1,065
Past Service cost	-	16
Interest cost	80	48
Benefits paid	(52)	-
Actuarial (gain) / loss	(51)	(28)
Benefit obligation at the end of the year	1,823	2,061
Change in fair value of plan assets		
Fair value of plan assets at beginning of the year	978	317
Return on plan assets	281	73
Actuarial gain / (loss)	-	(56)
Actual contribution	1,083	644
Benefits paid	(52)	-
Fair value of plan assets at end of year	2,290	978

Net gratuity cost is as follows:

Components of net benefit cost		
Current Service cost	(215)	1,065
Past Service cost	-	16
Interest cost	80	48
Expected return on plan assets	(281)	(73)
Net actuarial (gain) / loss recognised during the year	(51)	28
Net gratuity cost	(467)	1,083

The assumptions used in accounting for the gratuity plan for the current year and the previous year are as below:

Interest rate	8.20%	7.50%
Discount rate	8.20%	7.50%
Expected return on plan assets	8.20%	7.50%
Salary increase	9.00%	8.00%
Attrition rate upto age 44	17.00%	2.00%
Attrition rate above age 44	16.00%	1.00%
Retirement age	58	58

The Company evaluates these assumptions based on its long-term plans of growth and industry standards. The nature of assets allocation of the Fund is only in debt based mutual funds of high credit rating.

16. Supplementary profit and loss data

	March 31, 2008	March 31, 2007
(a) Payments to auditors (included in Professional charges)		
Statutory audit	200	200
Tax audit	25	25
Reimbursement of out of pocket expenses	15	2
	240	227
(b) Value of imports on CIF basis		
Capital goods	34,623	7,931
Consumables	804	-
	35,427	7,931
(c) Earnings in foreign currency (on accrual basis)		
Contract research fees	147,870	54,893
(d) Expenditure in foreign currency		
Travel expenses	885	1,059
Others	1,802	-
	2,687	1,059

17. Segment Information

The Company is primarily engaged in the single business segment of providing clinical trial services and is managed as one entity, governed by similar sets of risks and returns. The operation of the Company to provide clinical trial services is primarily catered for the export market, which the management views as a single segment.

18. Derivative Instruments

The Company does not have any open derivative instruments as at the balance sheet date. As at March 31, 2008, the net unhedged foreign currency assets and liabilities amounted to Rs 24,968 (March 31, 2007 - Rs 18,679) and Rs 1,323 (March 31, 2007- Rs 7,931) respectively.

19. Commitments

(a) Capital Commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for, net of advances	6,172	60,783

(b) Operating lease commitments

(i) Vehicles

The Company has taken vehicles for certain employees under operating leases, which expire in July 2008. Gross rental expenses for the year ended March 31, 2008 aggregated to Rs 148 (March 31, 2007 - Rs 148). The committed lease rentals in the future are:

Not later than one year	34	150
Later than one year and not later than five years	-	34

20. Contingent liabilities

(a) Service Tax under appeal	5,843	-

21. Prior year comparatives

The previous year's figures have been re-grouped / re-classified, where necessary to conform to the current year's classification.

As per our report of even date

For S.R. BATLIBOI & ASSOCIATES
Chartered Accountants

per Sunil Bhumralkar
Partner
Membership No: 35141

Bangalore
April 21, 2008

For and on behalf of the Board of Directors of Clinigene International Limited

Kiran Mazumdar Shaw
Director

JMM Shaw
Director

Murali Krishnan K N
President - Group Finance

Balance sheet abstract and Company's general business profile
(all amounts in thousands of Indian rupees)

Registration details

Registration No.	27566
State Code	08
Balance Sheet Date	March 31, 2008

Capital raised during the year

Public Issue	Nil
Rights Issue	Nil
Bonus Issue	Nil
Private Placement	Nil

Position of mobilisation and deployment of funds

Total liabilities and shareholders' funds	442,213
Total assets	442,213

Sources of funds

Paid up capital	500
Reserves	1,003
Secured Loans	70,000
Unsecured Loans	299,923

Application of funds

Net fixed assets	331,796
Capital work in progress	826
Net current liabilities	7,597
Accumulated losses	31,207

Performance of the Company

Turnover	227,163
Total expenditure	202,806
Profit before tax	24,357
Profit after tax	23,739
Loss per share in Rupees	474.78
Dividend rate	-

Generic names of three principal products/services of the Company

The Company is principally engaged in providing contract research services in the field of medical research.