

**Thirteenth
Annual Report
1998-99**



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Anmol Drugs & Pharmaceuticals Limited

Anmol Drugs & Pharmaceuticals Limited

DIRECTORS

| | |
|---------------------------|---------------------------|
| Shri Ajay Kumar Jain | <i>Wholetime Director</i> |
| Shri Rajat Kumar Jain | <i>Wholetime Director</i> |
| Shri Sudarshan Kumar Jain | <i>Director</i> |
| Shri Vikram Rai | <i>Director</i> |
| Shri Pradeep Jain | <i>Director</i> |
| Shri L.V. Kannon | <i>Director</i> |

GENERAL MANAGER (FINANCE)

Shri R.P. Singh

AUDITORS

Nilesh Shekher & Co.
Chartered Accountants
New Delhi

SOLICITORS

Dhir & Dhir Associates
New Delhi

MAIN BANKERS

Bank Of India

REGISTERED OFFICE

1496 (F.F)
Bhagirath Place
Chandni Chowk
Delhi - 110 006

WORKS

- * 8/29, Kirti Nagar Industrial Area
New Delhi
- * 49, Mile Stone
Delhi Rohtak Road
Sampla, Dist. Rohtak
Haryana

Anmol Drugs & Pharmaceuticals Limited

NOTICE

Notice is hereby given that the 13th Annual General Meeting of the members of Anmol Drugs & Pharmaceuticals Limited will be held on Tuesday, the 28th December, 1999 at 10.00 A.M. at Community Centre, Neelwal Village, Delhi, to transact the following business :

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Balance Sheet as on 31st March, 1999 and the Profit and Loss Account for the financial year ended on that date and the Reports of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Vikram Rai, Director, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. Pradeep Jain, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of next Annual General Meeting and to fix their remuneration. M/s Nilesh Shekher & Co., Chartered Accountants, the retiring Auditors of the Company are eligible for re-appointment.

By Order of the Board
For Anmol Drugs & Pharmaceuticals Ltd.

Registered Office

1496, (FF)
Bhagirath Place
Chandni Chowk
Delhi-110 006

Dated : 2nd December, 1999

Rajat Jain
Wholetime Director

NOTES

- i) A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead if himself and the proxy need not be a member of the company. Proxies, in order to be effective, must be received by the Company not less than 48 hours before the meeting.
- ii) The Register of Members and Share Transfer Books of the Company shall remain closed from 14th December, 1999 to 28th December, 1999 (both days inclusive).

By Order of the Board
For Anmol Drugs & Pharmaceuticals Ltd.

Registered Office

1496, (FF)
Bhagirath Place
Chandni Chowk
Delhi-110 006

Dated : 2nd December, 1999

CERTIFIED "TRUE COPY"

For Anmol Drugs & Pharmaceuticals Ltd.

Rajat Jain
Authorised Signatory

Rajat Jain
Wholetime Director

**Anmol Drugs &
Pharmaceuticals Limited**

DIRECTORS' REPORT

To the Members of
Anmol Drugs & Pharmaceuticals Ltd.

Your Directors have pleasure in submitting the 13th Annual Report and Audited Statement of Accounts of the Company for the year ended 31st March, 1999.

Financial Results

Result of the financial year and proposed appropriations as compared to the previous year are as under :

(Rs. in Lacs)

| | For the Year Ended 31.03.99 | For the Year Ended 31.03.98 |
|--|--|--|
| — Profit before Tax, Depreciation & Extra Ordinary Items | - 132.09 | - 156.02 |
| — Depreciation | 3.26 | 4.04 |
| — Profit before Tax & Extra Ordinary Items | - 135.35 | - 162.06 |
| — Extra Ordinary Items (Waiver of Tax Liability) | 108.25 | — |
| — Tax | — | — |
| — Profit after Tax | - 27.10 | - 162.06 |
| — Prior Year Adjustments | - 4.67 | — |
| — Profit available for Appropriation | — | — |
| Appropriations | | |
| — General Reserve | — | — |
| — Proposed Dividend | — | — |
| — Balance carried to Balance Sheet | - 230.79 | - 199.02 |

Operations

During the year under review, the operations were adversely affected due to lower level of capacity utilisation, sluggish and competitive market and overall economic recession.

Sales during the year is Rs. 179.16 Lacs compared to Rs. 270.54 Lacs in the previous year. In this year, there is a loss of Rs. 135.35 Lacs compared to Rs. 162.06 Lacs in the previous year. Further the Company has settled its income tax liability for the financial year 93-94 & 94-95 by availing Kar Vivad Samadhan Scheme, 1998. Due to above said settlement, the Company has got the benefit of Rs. 108.25 Lacs.

The Company has written off Rs. 39.50 Lacs towards Bad Debts. These debts were lying irrecoverable since very long time and Company had made all possible efforts for recovering of the same.

Particulars of Energy Conservation etc.

In accordance with requirements of Section 217 (i) (e) of the Companies (Disclosure of the particulars in the Report of the Board of Directors) Rules, 1988, statement showing salient features in respect of Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo are annexed and form part of this report.

**Anmol Drugs &
Pharmaceuticals Limited**

Particulars of Employees

There are no employees within the meaning of Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 as amended.

Industrial Relations

Relations with the employees continued to remain cordial throughout the year. Your Directors wish to place on record their high appreciation for dedicated and sincere services rendered by the Executives, Staff and Workmen at all levels.

Auditors

The term of office of M/s Nilesh Shekher & Co., Chartered Accountants, Auditors of the Company expires at the conclusion of the forthcoming Annual General Meeting. They have expressed their willingness to be re-appointed and are eligible for re-appointment.

Auditors' Observation

The observation of the Auditors in the audit report have been explained in the Notes to Accounts, which are self explanatory.

Dividend

In view of losses during the year, the Directors regret their inability to recommend payment of dividend.

Directors

Sh. Vikram Rai and Sh. Pradeep Jain, Directors, retire by rotation and being eligible offer themselves for reappointment.

Y2K Compliance

The Company has been cognizant of the problem Y2K and expect that there will be no risk to the operations because of Y2K, as modifications in the systems are being made without incurring significant expenditures and no problems are anticipated.

Acknowledgements

Your Directors are pleased to place on record their high appreciation for the valuable co-operation and support received from Banks and dedication and commitment of the staff at all levels without which the all round growth and progress of the Company could not have been possible.

For and on behalf of the Board

Ajay Jain Rajat Jain
(Wholetime Directors)

Place : New Delhi

Date : 2nd December, 1999

**Anmol Drugs &
Pharmaceuticals Limited**

ANNEXURE TO DIRECTORS' REPORT

1. CONSERVATION OF ENERGY

| (A) Power & Fuel Consumption | <u>Current Year</u> | <u>Previous Year</u> |
|---|---------------------|----------------------|
|---|---------------------|----------------------|

a. Electricity

| | | |
|---------------------|-----------|-----------|
| (i) Purchased Units | — * | — * |
| Total Amount (Rs.) | 148309.00 | 281505.00 |
| Rate/Unit (Rs.) | — * | — * |

- * Electricity Department is sending the bill on average basis and not on the basis of actual reading, so figure of units purchased and rate/unit for current year is not available.

| | | |
|--|---|---|
| (ii) Own Generation Through Diesel Generator | — | — |
| Through Steam Turbine/Generator | — | — |
| Unit | — | — |
| Unit per liter of Fuel Oil/Gas | — | — |
| Cost/Unit | — | — |

b. Coal

| | | |
|-------------------|---|---|
| Quantity (Tonnes) | — | — |
| Total Cost | — | — |
| Average Gas | — | — |

c. Furnace Oil

| | | |
|------------------------------|---|---|
| Quantity (Kilo Liters) | — | — |
| Total Amount | — | — |
| Average Rate per liter (Rs.) | — | — |

d. Other/Internal Generation

| | | |
|------------|---|---|
| Quantity | — | — |
| Total Cost | — | — |
| Rate/Unit | — | — |

(B) Consumption per Unit of Products

Unit of Products (1000 Tablets/Capsules)

| | | | |
|------------------------------------|--|-----|-----|
| Electricity per unit of production | No Standard is fixed because it depends upon product mix | — * | — * |
|------------------------------------|--|-----|-----|

- * As stated earlier figure of units of electricity consumed during the year is not available, so figure of electricity consumed per unit of production cannot be determined.

| | | |
|-------------|---|---|
| Furnace Oil | — | — |
| Coal | — | — |
| Others | — | — |

(C) Additional Investments and proposals, if any, being implemented for reduction of consumption of energy.

| | | |
|--|-----|-----|
| | Rs. | Nil |
|--|-----|-----|

Anmol Drugs & Pharmaceuticals Limited

2. TECHNOLOGY ABSORPTION

Efforts made in Technology Absorption :

A. *Specific areas in which R & D carried out by the Company*

The Company is planning to have a separate R & D Department for the development of new medicines and improvement of existing medicines. The Company is having highly qualified and computer technical staff who carries on R & D activities and make improvement in existing products and develop new products.

B. *Benefit derived as a result of the above R & D*

Various improvements have been made in the medicines produced by the Company as a result of R & D activities undertaken by the Company.

C. *Future Plans of Action*

All existing projects in Pharmaceuticals development are to be continued with the induction of various new sophisticated instruments.

D. *Expenditure on R & D*

Since the Company is not having a separate R & D Department figure of expenditure on R & D is not separately available.

E. *Technology Absorption, Adaptation and Innovation*

a. *Efforts Made*

Efforts are being made innovating indifferent fields including adoption of latest technology.

b. *Benefits derived as a result of the above efforts e.g. product improvement, cost reduction, product developments etc.*

c. *Imported technology (Imported during the last 5 years reckoned from the beginning of the Financial year) :*

The Company has not imported any technology.

3. FOREIGN EXCHANGE EARNING AND OUTGO

| | 1998-99 (Rs. in Lacs) | 1997-98 (Rs. in Lacs) |
|-------------------------------|--------------------------|--------------------------|
| Total Foreign Exchange Earned | Nil | Nil |
| Total Foreign Exchange Used | Nil | Nil |

For and on behalf of the Board

Ajay Jain

Rajat Jain

(Wholetime Directors)

Place : New Delhi

Date : 2nd December, 1999

Anmol Drugs & Pharmaceuticals Limited

AUDITORS' REPORT

To the Members of
Anmol Drugs & Pharmaceuticals Ltd.

We have audited the attached Balance Sheet of **Anmol Drugs & Pharmaceuticals Ltd.** as at 31st March, 1999 and also the Profit & Loss Account for the year ended on that date annexed thereto and report that:

1. As required by the manufacturing and other Companies (Auditor's Report) Order, 1988, issued by the Company Law Board in terms of Section 227 (4A) of the Companies Act, 1956, we give in the Annexure a statement on the matters specified in paragraph 4 and 5 of the said order to the extent applicable to Company.
2. Further to our comments in the Annexure referred to in paragraph (1) above, we report that:
 - (a) Subject to Note No. 6 regarding non-receipt of confirmations in respect of receivables and payables, Note No. 13 regarding non provision of valuation report relating the Capital Work In Progress, and Note No. 17 regarding certain excise records seized by excise authorities for the part of year, 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 the law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of accounts.
 - (d) In our opinion, the Profit & Loss Accounts and Balance Sheet comply with the Accounting Standard referred to Section 211 (3C) of the Companies Act, 1956.
 - (e) (i) Loans of Rs.1 Lakh included under Balance Sheet under the head Loans & Advances and a loan of Rs.1 Lakh which have been repaid during the year are ultra vires its Memorandum of Association as there is no specific power therein to make such loans and this cannot be implied from the objects contained in its Object Clause.
 - (ii) Dividend for financial year 1993-94 amounting to Rs.52,892.88 outstanding at the beginning of the year and declared by the Company in its 8th Annual General Meeting held on 30.09.94 & for the year 1994-95 amounting to Rs.10,18,431.25 declared by the Company in its 9th Annual General Meeting held on 29.12.95 has not been paid by the Company within forty two days from the date of declaration and amount of dividend remaining unpaid or unclaimed has not been transferred to a separate Unpaid Dividend Account in any Scheduled Bank till the date of finalisation of accounts. In our opinion, this is in contravention of the requirements of Section 205-A of the Companies Act, 1956.

Subject to the matters referred to in paragraphs (a), (e) (i), (e) (ii) and Note No. 3A(i) regarding non - provision of amount under dispute with customers of Rs.2,11,017/-, Note No. 6 regarding non - confirmation of recoverables & payables, Note No. 9 regarding provision of interest on secured loans from Bank amounting to Rs.16.21 Lacs only on estimated basis, Note No. 10 regarding provision for bad & doubtful debts amounting to Rs.24.74 Lacs on any reasonable basis. Note No. 13 regarding statement of amount of