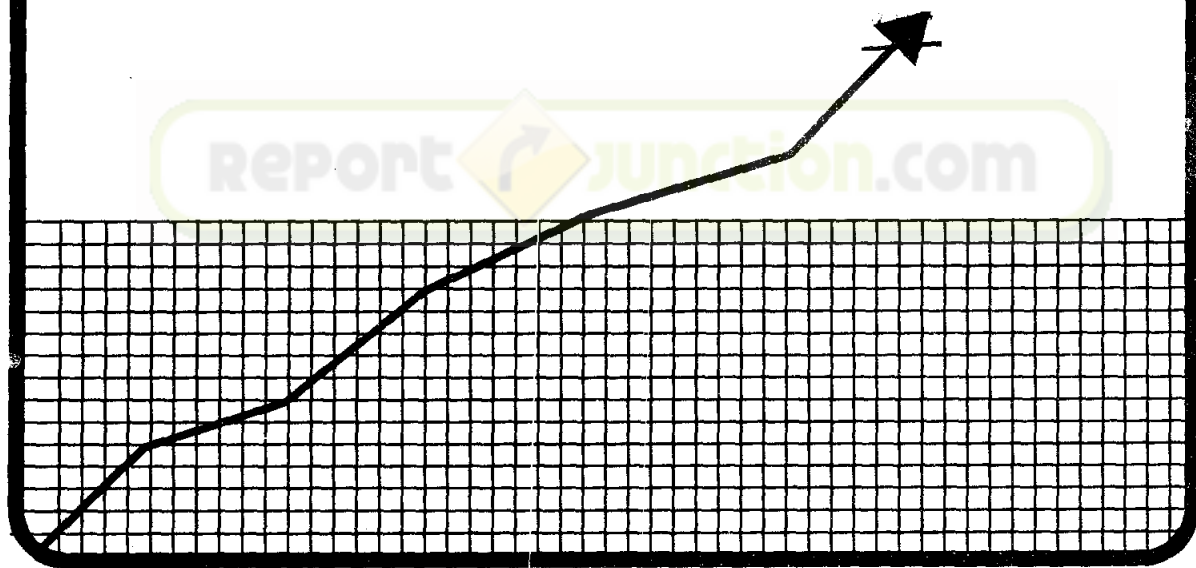


# **BERYL**

## **DRUGS LIMITED**

### **Sixth Annual Report 1998-99**



**SIXTH ANNUAL REPORT - 1998-99**

<b>BOARD OF DIRECTORS</b>	:	Shri Sanjay Sethi Chairman Cum Managing Director Shri Sudhir Sethi, Whole-Time Director Shri Sunil Jain , Director
<b>AUDITORS</b>	:	SUBHASH CHAND JAIN ANURAG & ASSOCIATES Chartered Accountants 4, Archana Apartment, 8-B, Ratlam Kothi, INDORE - 452 001
<b>REGISTERED OFFICE</b>	:	133, Kanchan Bag, Indore - 452 001
<b>PLANT</b>	:	1) <b>OWN UNIT</b> Plot No. 123, Industrial Area No. 1, Pithampur, Distt. DHAR (M.P.)  2) <b>PROPRIETARY UNIT</b> <b>FLORA &amp; FAUNA REMEDIES</b> Plot No. 124, Industrial Area No. 1, Pithampur, Distt. DHAR (M.P.)
<b>BANKERS</b>	:	1. Punjab National Bank, Indore
<b>LISTED STOCK EXCHANGES</b>	:	<b>M. P. STOCK EXCHANGE</b> Rajani Bhawan, Opp. High Court, M. G. Road, INDORE (M.P.)  <b>THE STOCK EXCHANGE, MUMBAI</b> Phiroze Jeejeebhoy Tower, Dalal Street, Fort, MUMBAI - 400 001  <b>THE STOCK EXCHANGE, AHMEDABAD</b> Kamadhenu Complex, Opp. Sahajanand College, Panjarapole, Ambawadi, AHMEDABAD - 380 015
<b>SHARE TRANSFER AGENT</b>	:	<b>LEO CORPORATE CONSULTANTS (INDORE) PVT. LTD.</b> 7, ARCHANA APARTMENT, 8-B, RATLAM KOTHI, INDORE - 452 001 PHONE : 519439, 518937, 527682, 521194 FAX No. : 0731 - 519116

**BERYL DRUGS LIMITED**

**NOTICE**

Notice is hereby given that the Sixth Annual General Meeting of the members of BERYL DRUGS LIMITED will be held at the Indore Nursery Hukma Khedi, A.B. Road, Indore - 452 001 on Thursday the 30th September, 1999 at 11.00 A.M. to transact the following business :

**AS ORDINARY BUSINESS**

1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 1999 and Profit and Loss Account for the year ended on that date and the Reports of the Directors and Auditors Report thereon.
2. To appoint a Director in place of Shri Sunil Jain who retires from office by rotation and, being eligible, offers himself for re-appointment.
3. To appoint M/s SUBHASH CHAND JAIN ANURAG & ASSOCIATES, CHARTERED ACCOUNTANTS, INDORE as Auditors of the Company to hold office until the conclusion of the next Annual General Meeting and fix their remuneration.

By Order of the Board of Directors,

SD/-

( SANJAY SETHI )

MANAGING DIRECTOR

Dated : 1st July, 1999

Registered Office :

133, Kanchan Bag,

Indore - 452 001.

**NOTES :**

1. A member entitled to attend and vote at the meeting he entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member of the Company proxy Forms duly stamped and executed must be received by the Company not less than 48 hours before the time fixed for the meeting.
2. The register of members and transfer books of the Company will remain closed from 23rd September to 30th September, 1999 (both days inclusive).
3. Members are requested to communicate the change in address, if any immediately to the Company.
4. Shareholders desiring any information on the accounts at the Annual General Meeting are requested to intimate the Company at least seven days in advance so, as to enable the Company to keep the information ready.
5. As a measure of economy copies of the Annual Report will not be distributed at the Annual General Meeting. Shareholders are requested to bring their copy to the meeting and also the attendance slip.
6. The members holding Shares in the same name under different more than one folio are requested to apply for consolidation of such folios and send the relevant share certificate to the Registered Office of the Company.

By Order of the Board of Directors,

SD/-

( SANJAY SETHI )

MANAGING DIRECTOR

Dated : 1st July, 1999

Place : Indore

## DIRECTORS REPORT

Your Directors have pleasure in presenting the Sixth Annual Report and the audited statement of Accounts for the year ended 31st March 1999.

## 1. FINANCIAL RESULTS

	(Rs. in Lacs)	
	Current Year	Previous Year
	31.03.99	31.03.98
Sales/Other Income	262.47	214.55
Profit/Loss (Before Depreciation, Interest & Tax)	21.44	40.38
Depreciation	37.34	40.54
Interest	10.99	7.94
Income Tax	Nil	Nil
Profit(+)/Loss(-) (After Tax)	(26.88)	(8.09)
Prior period Adjustment	(0.11)	(18.43)
Extra Ordinary Items	1.40	Nil
Profit(+)/Loss(-) (After prior period adjustment)	(25.59)	(26.52)
Dividend	Nil	Nil
Balance carried to Balance Sheet	(42.69)	(17.08)

**Note :** Sales/other income of the year ended 1999 included Rs.Nil (Previous year Rs.2.27 Lacs) turnover of Proprietary unit M/s. Flora & Fauna Remedies, Indore. Because said unit close down in during the year due to major maintenance of the Plant.

- OPERATION :** Your Director regret to report that 1998-99 has turned out to be the worst year in the history of Medicine Business not only in India but globally as well. But however, the performance of your Company has improved, because the gross turnover increased by 22.29% than that prevailing in the previous year. Despite various steps taken by the Company to optimise use of its resources. However the losses could not be contained in view of continued recessionary condition in prevailing worldwide which severally affective company's operation. Increase in cost could not be passed on to the consumers, thus profitability was effected to that extent.
- PROPRIETARY DIVISION (FLORA & FAUNA REMEDIES) :** In during the year there was no manufacturing activities carried out by the Proprietary Division due to continue of correction in the mechanical set up of the Plant & Machinery. Hence all operation figures of the Division is separately enclosed.
- FUTURE PROSPECTS :** The company product is very well accepted and demanded by reputed users in the country. The excellent quality and customer services had placed the company in the country. The continuous thrust on export would make if possible for the company to exploit the strength of India in the field of medicines. Your Directors are confident about good long term prospects. Once the dark cloudes of recessions are shredded off from the Indian economy and from the world market. Moreover the products of the Company continue to enjoy a strong brand image due to acceptability by the Indian Doctors.
- DIVIDEND :** In view of the continued losses being incurred by the Company. Your directors are unable to recommend any dividend for the year ended 31st March, 1999.
- PROMISE VS PERFORMANCE :** (In term of clause 43 of Listing Agreement)  
The funds raised by the company in term of Public Issue date 16/06/94 for setting up the projects detailed in the prospectus are being utilised for the same.  
The figures of actual profitability and projection are not comparable due to following reasons :-
  - There was delay in commissioning and it could not contributes towards sales and profit as was envisaged in the projected statement.
  - Some of the assumption, incorporated in the projection have changed unfavourably on account of prevailing Indian economic scenario of manufacturing costs.
  - Due to escalation in the production cost, which could not be passed on to the customers, profitability was affected to some extent.
- INSURANCE :** The Company's properties including building, plant & machinery, stocks, stores etc., continued to be adequately insured against all risk.
- STATUTORY DISCLOSURES :** Particulars as presented under Section 217 (1)(e) of the Companies Act,

**BERYL DRUGS LIMITED**

1956 in respect of conservation of energy technology, absorption and foreign exchange earning and out go read with Companies (disclosure of particulars in the report of Board of Directors) Rules, 1988 is given in Annexure - I forming part of this report, Cash Flow Statement as required to clause 32 of the listing agreement is attached herewith.

9. **INDUSTRIAL RELATIONS & PARTICULARS OF EMPLOYEES** : Your Directors, sincerely appreciate the Workers, Staff & Officers for their best efforts at a time when Company was passing through bad industrial weather. Cordial industrial relations have been the tune of group philosophy and same has continued in during the year.  
Information as per Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of employees) Rules, 1975 as amended regarding employees are not applicable to the company as non of the employee is receiving remuneration of Rs. 50000/- per month or Rs. 6.00 lacs per annum.
10. **FIXED DEPOSIT** : The Company has not accepted any deposit from public with in the meaning of section 58 A.
11. **DIRECTORS** : In accordance with the provision of Companies Act, 1956 and Articles of Association of the Company Mr. Sunil Jain, Directors retire by rotation as the ensuing Annual general meeting and, being eligible, offer himself for re-appointment.
12. **SUBSIDIARY** : There is no subsidiary of the Company as required under Section 212 of the Companies Act, 1956. But however, audited statement of Accounts alongwith the report of Auditors thereon of its Proprietary Unit Flora & Fauna Remedies for the period ended 31st March, 1999 is annexed.
13. **STATUS OF Y2K COMPLIANCE** : The Company has taken effective steps to solve Y2K compliant in time. The expenditure for achieving Y2K compliance is not expected to have any material impact to its financial position or result of operation.
14. **AUDITORS** : M/s Subhash Chand Jain Anurag & Associates Chartered Accountants, Indore hold office as the Auditors of the Company up to the date of the ensuing Annual general meeting of the Company and are eligible for re-appointment. The Company has receiving a certificate from them to the effect that their re-appoint would be with in the limits prescribed under section 224 (I-B) of the Companies Act, 1956. The members are requested to appoint them as a Auditors of the Company and to fix their remuneration.
15. **AUDITORS REPORTS** : The observations made in the Auditor Report are self explanatory and therefore do not call for the any further comments under section 217 of the Companies Act, 1956.
16. **ACKNOWLEDGMENTS** : Board of Directors wishes to express their sincere appreciation for the continued Co-operation encouragement support and assistance provided during the year by the Company's Banks,. The Directors express their appreciation for the support and contribution made by the employees at all levels to the operation of the company during the year.

Place : Indore  
Date : 15th June, 1999

FOR AND ON BEHALF OF THE BOARD  
Sd/-  
(SANJAY SETHI)  
MANAGING DIRECTOR

**ANNEXURE TO DIRECTORS' REPORT**

**Particulars required under the Companies**

**(Disclosure of of Particulars in the Report of Board of Directors) Rules, 1988**

- A. CONSERVATION OF ENERGY** : The Company continued to take measures for conservation of energy required to produce products including regular checks and preventive maintenance of all electrical equipment and installation are being conducted to avoid leakage of energy due to faulty operations.

**FORM A** Form for disclosure of particulars with respect to the conservation of energy.

(A) POWER AND FUEL CONSUMPTION		1998-99	1997-98
1) Electricity			
a) Purchased Quantity (Unit)		196210	180981
Total Amount (Rs.in lacs)		992967	904240
Average Rate (Rs.)		5.06	5.00
b) Own Generation			
1. Through Diesel Generator (Unit)		Nil	Nil

**BERYL DRUGS LIMITED**

Unit per Ltr. of Diesel	Nil	1535
Fuel Cost/Unit	Nil	5.12
2. Through Steam Turbine Generator	N.A.	N.A.
2) Coal	Nil	Nil
3) Furnace Oil		
Quantity (Ltrs)	52176	5500
Total Amount (Rs. in Lac)	4.69	0.40
Average Rate of Furnace Oil	9.00	7.27
4) Others/Internal Generation	Nil	Nil

(B) **CONSUMPTION PER UNIT OF PRODUCTION** : The Company manufactures several injections. It is therefore difficult to apportion the consumption and cost of utilities to specific products item.

**B. TECHNOLOGY ABSORPTION** : Research and Development work concerning process improvements of small volume injections and large volume injections are carried out at Companies' works at Pithampur. Your Company is having research and development cell headed by a senior and experienced chemist. Continuous watch on the quality of the product at various stake is being kept by the section. This section also keep a regular track on latest advancement on the injection technology in order to keep face with the demand.

**C. FOREIGN EXCHANGE EARNINGS AND OUTGO**

Foreign Exchange Earning	:	\$ 5520 Equivalent Rs.234600.00
Foreign Exchange Outgo	:	Nil

**AUDITORS REPORT**

TO

THE MEMBERS

BERYL DRUGS LIMITED, INDORE.

We have audited the attached Balance Sheet of Beryl Drugs Limited as at 31st March, 1999 and Profit & Loss account for the year ended on that date annexed hereto and report that:-

1. As required by the Manufacturing and Other Companies (Auditors Report) Order, 1988 issued by the Company Law Board 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.
2. Further to our comments in the Annexure referred to in paragraph, 1, above we state 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 accounts as required by the Companies Act, 1956 have been kept by the Company so far as appears from our examination of such books.
  - c) The Balance Sheet and Profit & Loss Account dealt with by this report are in agreement with the books of account.
  - d) In our opinion, the Profit and Loss account and Balance Sheet complied with mandatory accounting standard referred in Sec.211(3c) of the Companies Act 1956 except otherwise stated.
  - e) In our opinion and to the best of our information and according to the explanations given to us, the accounts together with the notes thereon give the information required by the Companies Act, 1956 in the manner so required and give true and fair view :-
    - i. In the case of the Balance Sheet of the state of affairs of the Company as at 31st March, 1999 and
    - ii. In the case of Profit & Loss account, of the loss of the Company for the year ended on that date.

For SUBHASH CHAND JAIN ANURAG & ASSOCIATES  
Chartered Accountants,

Sd/-

(S.C. JAIN )  
PARTNER

Place : Indore (M.P.)

Date : 15th June, 1999

**ANNEXURE REFERRED TO IN PARAGRAPH 1 OF OUR REPORT OF EVEN DATE TO THE MEMBERS OF  
BERYL DRUGS LIMITED ON THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 1999.**

1. The Company has maintained proper records to show full particulars including quantitative details and situation of fixed assets. According to the information and explanation given to us the fixed assets have been physically verified by the Management at reasonable intervals during the year. We are informed that no material discrepancies were noticed by the Management on such verification as compared with the records of fixed assets maintained by the Company.
2. None of the Fixed Assets have been revalued during the Year.
3. According to the information and explanations given to us by the Management, the stocks of finished goods, stores, spare parts and raw materials have been physically verified by the Management during the year. In our opinion, the frequency of verification is reasonable.
4. In our opinion and according to the information and explanation given to us the procedures of physical verification of stocks followed by the Management are reasonable and adequate in relation to the size of the Company and the nature of its business.
5. According to the record produced before us for our verification no material discrepancies were noticed on physical verification of stocks as compared to the book records and the same have been properly dealt with in the books of accounts.
6. On the basis of information received from the Management and on examination of stock records. We are of the opinion that the valuation of the stocks is fair and proper in accordance with the normally accepted accounting principles, and is on the same basis as in the preceding year. In respect of certain material we have relied on the technical opinion of the management for valuation purpose.
7. On the basis of information received from the Management, the Company has not taken any loans secured or unsecured, from Companies, firm or other parties listed in the Register maintained under Section 301 of the Companies Act, 1956 and from the Companies under the same Management within the meaning of Section 370 (1B) of the Companies Act.
8. We are informed by the Management that the Company has not granted any loans, secured or unsecured to Companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956. The Company has not granted any loan to companies under the same management as defined u/s 370 (1 B) of the Companies Act, 1956.
9. We are informed by the Management that the parties and employees to whom interest free loans or advances in the nature of loans have been given by the Company are repaying the principal amounts as stipulated.
10. In our opinion and according to the explanations given to us. There are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchase of stores, raw materials, plant and machinery, equipment and other assets and also for the sale of goods.
11. As far as we have been able to ascertain and according to the information and explanations given to us by the Management, there were no transactions of purchase of goods and materials and sale of goods, materials and services made in pursuance of contracts or arrangements entered in the register maintained Under Section 301 and aggregating during the year to Rs. 50,000/- or more.
12. As explained to us by the Management the Company has a regular procedure for determination of unserviceable or damaged stores, raw materials and finished goods. Provision for the loss in respect thereof has been made in the accounts for the loss arising on the item so determined.
13. The company has not accepted any deposit as defined under the Companies (acceptance of deposit) Rules 1975 framed under the provision of Section 58A of the Companies Act, 1956.
14. In our opinion and according to the information and explanations given to us, reasonable records have been maintained by the Company for the sale and disposal of scrap. The Company has no by-products arising out of the manufacturing process of the company.
15. In our opinion, the Company has own internal audit system however, the same needs to be strengthened and the areas covered need to be extended to make it commensurate with the size and nature of the business of the company.
16. According to the information and explanations given 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 for any of the products of the Company for the year.
17. The Company has not been deposited Provident Fund regularly with the appropriate authorities. As explained and informed to us the Provision of Employees State Insurance Act, 1948 are not applicable to the Company's own unit for the year. But the ESI already applicable on the Company Division M/s. Flora & Fauna Remedies, Indore and Rs. 3076/- was still due since last year.
18. According to the information and explanations given to us no undisputed amounts payable in respect of income-tax, wealth-tax, sales tax, customs duty and excise duty which were outstanding as at 31st March, 1999 for a period of more than six months from the date they become payable except Rs. 12960.00 on account of interest u/s 201 (1A) under the Income Tax Act and Rs. 2500/- on account of Professional Tax was due in the year end.
19. According to the information and explanations given to us, no personal expenses of employees or Directors have been charged to Revenue Account other than those payable under contractual obligations or in accordance with generally accepted business practice.
20. According to the information and explanation given to us the Company is not a sick industrial company within the meaning of clause (O) of sub-section(1) of Section 3 of Sick Industrial Companies (Special Provisions) Act, 1985.
21. As explained and informed to us that there are no damaged goods arising from trading activities of the Company.
22. As per explanation of the management there were no goods purchased by the company for resale.

**For SUBHASH CHAND JAIN ANURAG & ASSOCIATES****Chartered Accountants,****Sd/-****(S.C. JAIN )  
PARTNER**Place : Indore (M.P.)  
Date : 15th June, 1999

**BERYL DRUGS LIMITED****BALANCE SHEET AS ON 31ST MARCH, 1999**

S.No.	PARTICULARS	REFERRED SCHEDULE	CURRENT YEAR AS ON 31/3/99	PREVIOUS YEAR AS ON 31/3/98
<b>I) SOURCE OF FUNDS</b>				
<b>A) SHAREHOLDERS FUND</b>				
1	SHARE CAPITAL	"A"	50361800.00	50361800.00
2	RESERVE & SURPLUS		NIL	NIL
3	GOVERNMENT GRANTS (STATE CAPITAL SUBSIDY)		478702.00	478702.00
<b>B) LOAN FUNDS</b>				
1	SECURED LOANS	"B"	6693263.17	6390470.73
2	UNSECURED LOANS		NIL	NIL
	<b>GRAND TOTAL</b>		<b>57533765.17</b>	<b>57230972.73</b>
<b>II) APPLICATION OF FUNDS</b>				
1	FIXED ASSETS	"C"		
a)	GROSS BLOCK		36343672.94	35408119.94
b)	DEPRECIATION		10494801.97	6761151.20
c)	NET BLOCK		25848870.97	28646968.74
2	INVESTMENT	"D"	11192267.36	11184277.36
3	CURRENT ASSETS, LOANS, ADVANCE & DEPOSITS			
a)	INVENTORIES	"E"	5761765.00	5080893.90
b)	SUNDRY DEBTORS	"F"	6060955.39	6050155.78
c)	CASH AND BANK BALANCES	"G"	658749.50	490501.15
d)	LOAN, ADVANCE & DEPOSITS	"H"	3279337.46	3248111.20
			15760807.35	14869662.03
	LESS : CURRENT LIABILITIES AND PROVISIONS	"I"	2754767.25	2799240.08
e)	NET CURRENT ASSETS		13006040.10	12070421.95
	MISCELLANEOUS EXPENDITURE (TO THE EXTENT 1/10 WRITTEN OFF OR ADJUSTED)	"J"	3218213.11	3620489.75
5	PROFIT & LOSS ACCOUNT	"K"	4268373.63	1708814.93
	<b>GRAND TOTAL</b>		<b>57533765.17</b>	<b>57230972.73</b>

SIGNIFICANT ACCOUNTING POLICIES  
& NOTES TO ACCOUNTS

"T"

IN TERMS OF OUR REPORT OF EVEN DATE ATTACHED  
FOR SUBHASHC CHAND JAIN ANURAG & ASSOCIATES  
CHARTERED ACCOUNTANTS

FOR AND ON BEHALF OF THE BOARD

(S.C. JAIN)  
PARTNER

PLACE : INDORE

DATE : 15TH JUNE, 1999

(MANAGING DIRECTOR)

PLACE : INDORE

DATE : 15TH JUNE, 1999

(DIRECTOR)

**ANNUAL REPORT**

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**BERYL DRUGS LIMITED****PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31/03/99**

S.No.	PARTICULARS	REFERRED SCHEDULE	CURRENT YEAR AS ON 31/3/99	PREVIOUS YEAR AS ON 31/3/98
<b>A)</b>	<b>INCOME</b>			
1.	SALES	"L"	26229071.10	21431098.00
2	OTHER INCOME	"M"	24000.00	24000.00
3	INCREASE/(DECREASE) IN STOCK	"N"	92462.10	2343667.90
			<u>26345533.20</u>	<u>23798765.90</u>
<b>B)</b>	<b>EXPENDITURE</b>			
1	RAW MATERIAL CONSUMED	"O"	7786326.37	6800562.65
2	PACKING MATERIAL CONSUMED	"P"	8080758.75	7235218.00
3	CONSUMABLE GOODS & CHEMICALS		621911.40	358578.00
4	MANUFACTURING EXPENSES	"Q"	1534832.89	1181051.00
5	OPERATING EXPENSES	"R"	4549361.54	3472132.67
6	MISC. EXPENSES WRITTEN OFF		402276.64	402276.64
7	LOSS FROM PROPRIETARY DIVISION		138252.00	261257.78
8	EXCISE DUTY		1088067.54	48830.00
9	INTEREST & OTHER FINANCIAL CHARGES		1098730.00	794310.60
10	DEPRECIATION		<u>3733650.77</u>	<u>4053727.20</u>
			29034167.90	24607944.54
C)	NET PROFIT(+)/LOSS(-) (BEFORE TAX)		(2688634.70)	(809178.64)
D)	PROVISION FOR INCOME TAX		NIL	NIL
E)	NET PROFIT(+)/LOSS(-) (AFTER TAX)		(2688634.70)	(809178.64)
F)	EXCESS PROVISION FOR INCOME TAX WRITTEN BACK		140442.00	NIL
G)	LESS: PRIOR PERIOD ITEM ADJUSTED "S"		(11366.00)	(1843221.00)
H)	BALANCE OF PROFIT (+)/LOSS(-) OF THE YEAR		(2559358.70)	(2652399.66)
I)	BALANCE BROUGHT FORWARD FROM PREVIOUS YEAR		(1708814.93)	943584.73
J)	BALANCE CARRIED TO BALANCE SHEET		(4268373.63)	(1708814.93)

ACCOUNTING POLICIES &amp; NOTES TO ACCOUNTS : SCHEDULE "T"

IN TERMS OF OUR REPORT OF EVEN DATE ATTACHED  
FOR SUBHASHC CHAND JAIN ANURAG & ASSOCIATES  
CHARTERED ACCOUNTANTS

FOR AND ON BEHALF OF THE BOARD

(S.C. JAIN)  
PARTNER  
PLACE : INDORE  
DATE : 15TH JUNE, 1999

(MANAGING DIRECTOR)  
PLACE : INDORE  
DATE : 15TH JUNE, 1999

(DIRECTOR)