

BERYL

DRUGS LIMITED

9th Annual Report



2001-2002

NINTH ANNUAL REPORT 2001-2002

BOARD OF DIRECTORS	: Shri Sanjay Sethi Chairman Cum Managing Director Shri Sudhir Sethi, Whole-Time Director Shri Sunil Jain , Director Shri Rajendra Dammani, Director
AUDITORS	: SUBHASH CHAND JAIN ANURAG & ASSOCIATES Chartered Accountants 4, Archana Apartment 8-B, Ratlam Kothi INDORE - 452 001
REGISTERED OFFICE	: 133, Kanchan Bag, Indore - 452 001.
PLANT	: Plot No. 123 & 124 Industrial Area No. 1 Pithampur, Distt. DHAR (M.P.)
BANKERS	: Punjab National Bank, Indore
LISTED STOCK EXCHANGES	: M.P. STOCK EXCHANGE 201, Palika Plaza, MTH Compound Indore THE STOCK EXCHANGE, MUMBAI Phiroze Jeejeebhoy Tower Dalal Street, Fort, MUMBAI - 400 001 THE STOCK EXCHANGE, AHMEDABAD Kamadhenu Complex Opp. Sahajanand College, Panjarapole Ambawadi, AHMEDABAD - 380 015
SHARE TRANSFER AGENT	: LEO CORPORATE CONSULTANTS (INDORE) PVT. LTD. 7, ARCHANA APARTMENT 8-B, RATLAM KOTHI INDORE - 452 001 PHONE : 519439, 518937, 527682, 521194 FAX NO. 0731-519116 E-mail : leogroup@satyam.net.in

BERYL DRUGS LIMITED**NOTICE**

Notice is hereby given that the Ninth Annual General Meeting of the Company will be held on Monday, the September 23, 2002 at 11.00 A.M. at the Indore Nursery Hukma Khedi, A.B. Road, Indore - 452 001 (M.P.) to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 2002 and Profit & Loss Account for the year ended on that date along with Reports of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Sudhir Sethi who retires 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 from the conclusion of this meeting until the conclusion of the next Annual General Meeting and fix their remuneration.

By order of the Board
For Beryl Drugs Limited

Dated : 16th July, 2002

Registered Office :
133, Kanchan Bag, Indore - 452 001

SD/-
(SANJAY SETHI)
CHAIRMAN CUM MANAGING DIRECTOR

Notes :

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy and to attend and on a poll to vote instead of himself and the proxy need not be a member of the Company. A member unable to attend may appoint a person (whether a member or not) as his proxy in the enclosed form which shall be deposited with the principal office of the Company.
THE PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING.
2. The register of members and share transfer books of the Company will remain closed from September 12, 2002 to September 23, 2002 (both days inclusive).
3. Members are requested to immediately intimate any change in their addresses to the Registrar and Share Transfer Agent of the Company.
4. Shareholders desiring any information on the Accounts at the Annual General Meeting are requested to intimate the Company at least 7 days in advance so, as to enable the Company to keep the information ready.
5. Shareholders are requested to bring their copy of Annual Report to the meeting along with the attendance slip.
6. The members holding shares in identical order of names in more than one folio, are requested to write to Registrar and Share Transfer Agent of the Company to consolidate their holding in one folio.
7. Members are requested to quote their Folio Number in all their correspondence.
8. The documents referred to in this notice/ Explanatory Statements are open for inspection by the members at the principal office of the Company during the business hours of the Company on any working day upto the last date of the Annual General meeting.
9. Information required to be furnished under the Listing Agreement.
As required under the Listing Agreement, the particulars of the Directors who are proposed to be re-appointed are given in the report on the Corporate Governance.

By order of the Board
For Beryl Drugs Limited

Dated : 16th July, 2002

Registered Office :
133, Kanchan Bag, Indore - 452 001

SD/-
(SANJAY SETHI)
CHAIRMAN CUM MANAGING DIRECTOR

DIRECTORS' REPORT

To,

The Share Holders,

Your Directors have pleasure in presenting their Ninth Annual Report on the Audited Accounts for the financial year ended on 31st March, 2002.

1. YEAR UNDER REVIEW:

The fiscal year 2001 again witnessed a slow down in the Indian Economy hampered by irregular monsoons and a sharp increase in the prices of petroleum products. This has adversely effected the growth of all the industries. At the opening of year, the policies of Government were centralized to the infrastructure development; quite favourable to the Company, but cloud of INDO-PAK War and Gujrat Communal Riots diverted the attention of Government towards the revival of Gujrat. We extend our deepest sympathies to the people of Gujrat affected by this communal riots.

Beside these all opposite circumstances, company has reserved a turnover of Rs. 433.83 lacs against Rs. 389.64 lacs for the previous year representing the growth of 11.34 % over the previous year. But the effect of such increase was damped due to impact on yield and higher input cost particularly in respect of power and fuel.

During the year under review, company noticed that company's product are getting good response in the market inspite of numerous competitive products available in the market. Company's products are very well accepted by the customers. The top class quality of products and customer services helped the company in developing strong brand image among the customers as well as Doctors. Company has been addressing new growth opportunities arising from the ongoing liberalization and deregulation of the Indian Economy. This may have positive impact in overall activities and earning capacity of the Company.

2. FINANCIAL RESULTS AND OPERATIONS

	(Rupees in Lacs)	
	Year ended 31.3.2002	Year ended 31.3.2001
Total Income	447.89	383.21
Total Expenditure	433.37	380.19
Profit before Tax	14.53	3.02
Less: Prior period adjustment	Nil	0.21
Less: Provision for Income Tax	2.09	0.19
Profit after Tax	12.43	2.63
Loss brought forward from last year	(39.74)	(42.37)
Balance of Profit/(loss) carried to Balance Sheet	(27.31)	(39.74)

3. FUTURE PROSPECTS:

India with its vast population and consumer base provided tremendous opportunities to companies that are geared to meeting the challenges that are inherent in such an opportunities. The onus is on the Company to galvanize its strengths and positive attributes to achieve quality growth in both top line and bottom line terms, we are optimistic about the future and our team is committed to meeting the challenges in an extremely competitive environment.

4. DIVIDEND :

In the absence of adequate profit during the tear, your Directors regret their inability to recommend any dividend for the financial year 2001-02.

5. PUBLIC DEPOSITS :

The Company has neither invited nor accepted any deposit from the public with in the Section 58A of the Companies Act, 1956 read with the Companies (Acceptance of Deposit) Rules, 1975 during the year.

6. MERGER OF UNIT CONCERN:

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Your Company has merged its Unit Concern (i.e. Flora & Fauna Remedies) in starting of the year for better use of the assets of Unit Concern.

7. INSURANCE:

The Companies properties including building, plant and machinery, stock etc., have been adequately insured against various riots.

8. MANAGEMENT :

Mr. Sudhir Sethi, Whole Time Director of the Company, retires by rotation at the date of ensuing Annual General Meeting and being eligible offer himself for the re-appointment.

9. DIRECTOR'S RESPONSIBILITY STATEMENT :

Pursuant to the provision of Section 217 (2AA) of the Companies Act, 1956 as amended with respect to Director's responsibility statement and subject to wheresoever otherwise contained in the Audit Report, Your Directors hereby confirm.

1. That in the preparation of the annual accounts for the financial period ended on 31st March, 2002 the applicable accounting standards subject to notes to the accounts in Auditors Report had been followed, along with proper explanation relating to material departures;
2. That the Director have selected such accounting policies and applied them consistently and made judgements 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 period ended and profit of the Company for the period under review;
3. 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;
4. That the Directors have prepared the annual accounts on a going concern basis.

10. AUDITORS :

M/s. Subhash Chand Jain Anurag & Associates, Chartered Accountants, 4-Archana Apartment, 8-B, Ratlam Kothi, Indore (M.P.) appointed as statutory Auditors of the Company retire at the conclusion of the forthcoming Annual General Meeting and being eligible offer themselves for reappointment. The Company has received a letter from M/s. Subhash Chand Jain Anurag & Associates to the effect that their appointment, if made, would be within the limits under Section 224(1B) of the Companies Act, 1956. Yours Directors recommend their appointment as auditors of the Company in ensuing Annual General Meeting.

The Auditors Report on the accounts for this accounting period ended on 31st March, 2002 is self explanatory, therefore does not require any further explanation.

11. PARTICULARS OF EMPLOYEES:

The information as required under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 are not applicable to the Company as the Company does not have any employee receiving Remuneration exceeding Rs. 24,00,000.00 per annum or Rs. 2,00,000.00 per month or part thereof.

12. DISCLOSURE OF CONSERVATION OF ENERGY, TECHNOLOGY, ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUTGO.

The details of energy conservation, technology absorption etc., in Form A and B as required under section 217(1)(e) are annexed to and forming part of the report of the Board.

13. CORPORATE GOVERNANCE:

Your Company has always followed the philosophy of conducting its business with the compliance of law, rules, regulation and sound internal control system and procedure. The Company has already been taken effective steps to implement the mandatory requirement of Corporate Governance Code as prescribed by SEBI effective from 1st April, 2002 as applicable in case of your Company.

14. AUDIT COMMITTEE :

The Board of Directors of the Company constituted the audit committee within the provisions of the Section

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292A of the Companies Act, 1956 to exercise the powers and discharge the functions as stipulate in the Section. The constitution and functions of the committee are detailed in the annexure forming part of the report.

15. LISTING:

The Equity Shares of the Company is listed on the Mumbai and Indore Stock Exchanges. The Company has paid the Annual Listing Fee to said Stock Exchanges for the year 2002-2003. Your Company has not deposited any fee to Ahmedabad Stock Exchange due to prior decision taken in earlier AGM in connection with non-listing of share with Ahmedabad Stock Exchange.

16. DEMATERIALIZATION OF SHARES:

In current year your Company has not dematerialized the share due to continue the option of trade of equity shares on trade to trade basis.

17. PERSONEEL:

During the year under review, industrial relation at the unit of the Company were by and large satisfactory.

18. ACKNOWLEDGEMENT

Your Directors would like to express their grateful appreciation for the assistance and co-operation extended by Banks, Governmental Authorities and shareholders of the Company during the year under review. Your Director wish to place on record their deep sense of appreciation for the devoted services of the Executives Staff and Workers of the Company for its success.

For and on behalf of Board of Directors,

Sd/-

Place : Indore

(Sanjay Sethi)

Dated : 16th July, 2002

Chairman

ANNEXURE TO DIRECTORS' REPORT

Particulars required under the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988

A. CONSERVATION OF ENERGY

The Company continues to take measure 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

	<u>2001-2002</u>	<u>2000-2001</u>
1) Electricity		
a) Purchased Quantity (Unit)	275250	222670
Total Amount (Rs.in lacs)	14.15	12.05
Average Rate (Rs.)	5.14	5.41
b) Own Generation		
1. Through Diesel Generator (Unit)	Nil	Nil
Unit per Ltr. of Diesel	Nil	Nil
Fuel Cost/Unit	Nil	Nil
2. Through Steam Turbine Generator	Nil	Nil

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2) Coal

a. Quantity in M.T.	245.000	Nil
b. Total Amount (in Rs.)	414559	Nil
c. Average Rate (in Rs.)	1692	Nil

3) Furnace Oil

Quantity (K. Ltrs)	24000	110000
Total Amount (Rs. in Lac)	2.40	13.79
Average Rate of Furnace Oil	9.98	12.53

4) Others/Internal Generation

Nil	Nil
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(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.

FORM B Forms for disclosure of particulars with respect to technology absorption.

B. TECHNOLOGY ABSORPTION

1. Research and Development work concerning process improvements of small volume injections and large volume injections are carried out at Company's work at Pithampur.
2. 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 levels is being kept by the section. This section also keeps a regular track on latest advancement on the injection technology in order to keep changing with the demand.

C. FOREIGN EXCHANGE EARNINGS AND OUT GO

Foreign Exchange Earning : Nil
Foreign Exchange Outgo : Nil

D. AUDIT COMMITTEE

The Board of Directors of the Company was already formed an audit committee comprising the three Directors namely:

1. Shri Sanjay Sethi, Chairman cum Managing Director
2. Shri Sunil Jain, Director
3. Shri Rajendra Dammani, Director

The constitution of the Audit Committee also meets the requirement of the Section 292A of the Companies Act, 1956. The term of reference and powers of the Audit Committee are as per Clause 49 of the listing agreement and also as per new section 292 A of the Companies Act, 1956. The functions of the Audit Committee are as per Company law and listing agreement with the stock exchange. These include review of accounting and financial policies and procedures review of financial reporting system, internal control procedures and risk management policies. The Committee met four time during the year i.e. on 07th May, 2001, 26th July 2001, 23rd October 2001 and 28th January 2002. The entire Audit committee members & senior executive were present in the meeting.

By order of the Board of Directors,

Sd/-
Sanjay Sethi
Chairman Cum Managing Director

Place : Indore
Dated : 16th July, 2002

AUDITORS REPORT

**TO
THE MEMBERS
BERYL DRUGS LIMITED,
INDORE.**

We have audited the attached Balance Sheet of Beryl Drugs Ltd., as at 31st March 2002 and also the Profit and Loss Account 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.

We conducted our audit in accordance with 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.

1. As required by the Manufacturing and Other Companies (Auditor's Report) Order, 1988 issued by the Central Government of India in terms of sub-section (4A) of Section 227 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 report that:
 - (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (ii) In our opinion and subject to notes to accounts in Schedule No. 22, proper books of accounts as required by law have been kept by the Company so far as appears from our examination of those books;
 - (iii) The Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of account;
 - (iv) In our opinion and subject to notes to account in Schedule No. 22, the Balance Sheet and Profit and Loss Account dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
 - (v) On the basis of written representations received from the Directors, as on 31st March, 2002, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March 2002 from being appointed as a Director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
 - (vi) Subject to the notes in account in Schedule No. 22, in our opinion and to the best of our information and according to the explanations given to us, the said accounts 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:
 - (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2002; and
 - (b) in the case of the Profit and Loss Account, of the profit for the year ended on that date.

For SUBHASH CHAND JAIN ANURAG & ASSOCIATES
Chartered Accountants,

Place : Indore (M.P.)
Date : 16th July, 2002

(S.C. JAIN)
PARTNER
MNO. 72062

**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, 2002.**

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 in 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 explanation given to us the stock of finished goods, packing material, 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.
6. On the basis of our examination of stock records and subject to note No. 7 of schedule 22 we are of the opinion that the valuation of the stock is fair and proper and in accordance with the normally accepted accounting principles. During the year to comply with the AS-2 the valuation of closing stock of finished goods has been valued after inclusive of excise duty while it was exclusive of this duty in preceding year.
7. On the basis of our examination and 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. Further there is no loan has been taken from the Company under the same management as defined under Section 370 (1B) of the Companies Act, 1956.
8. 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 but an advance of Rs.0.45 lacs (P.Y. Rs.2.35 lacs) to Mr. Sudhir Sethi and Rs.Nil (P.Y. Rs.1.50 lacs) to Mr. Sanjay Sethi against travelling has been given. Further there is no loan has been given to Company under the same management as defined under sec. 370 (1b) of the Companies Act..
9. We are informed by the Management that the parties to whom loans and/or advances in the nature of loans have been given by the Company are repaying the amount as stipulated.
10. In our opinion and according to the explanation given to us, there are adequate 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 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.50,000.00 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