

BLISS

Bliss Chemicals & Pharmaceuticals India Ltd.



21st Annual Report 2005 - 2006

BOARD OF DIRECTORS

G. G. Desai	Chairman
Gautam R. Ashra	Director
Shibroor N. Kamath	Managing Director
Mangesh G. Wagle	Managing Director

BANKERS

Canara Bank , Mumbai

AUDITORS

B. K. Khare & Co.

REGISTRAR AND SHARE TRANSFER AGENT

Mondkar Computers Private Limited.
 21, Shakeel Niwas, Mahakali Caves Road,
 Andheri (East),
 Mumbai - 400 093.
 Phone No : 2836 66 20
 E-mail : mondkar_computers@rediffmail.com

REGISTERED OFFICE

Unit No.29-A , Building No.6,
 Udit Mittal Industrial Premises Co-Op Society Ltd.
 Andheri - Kurla Road,
 Andheri (East),
 Mumbai - 400 059.
 Phone No : 2850 53 87
 E-mail : bliss@bom3.vsnl.net.in
 Website : www.blisspharma.com

FACTORY

Plot No. 10, Village : Aliyali,
 Palghar Taluka,
 District - Thane,
 Maharashtra.



NOTICE

NOTICE is hereby given that the 21st Annual General Meeting of the members of Bliss Chemicals & Pharmaceuticals India Ltd. will be held as under :

DAY : FRIDAY

DATE : 18th August, 2006

TIME : 9.30 a.m.

To transact the following business:

VENUE: Hotel Kumaria Presidency,
Marol, Andheri - Kurla Road,
Andheri (East),
Mumbai 400 059.

ORDINARY BUSINESS:

1. To receive, consider and adopt the Profit and Loss Account for the year ended 31st March, 2006, the Balance Sheet as at that date and the Reports of the Directors and Auditors thereon.
2. To declare Dividend
3. To appoint a Director in place of Mr. S.N. Kamath, who retire by rotation and being eligible offers himself for re-appointment.
4. To appoint Auditors to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting, to authorise the Board of Directors to fix their remuneration.

SPECIAL BUSINESS:

5. To Consider and if thought fit pass with or without modification the following Resolutions as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, 310 and 311 read together with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, the Company hereby accords its consent and approval to the appointment of Mr. S.N. Kamath as Managing Director of the Company for a period of three years with effect from 9th May, 2006 on terms and conditions including remuneration and perquisites as under:

1. The Managing Director (hereinafter called Director) shall carry out such functions, exercise such powers and perform such duties as the Board of Directors of the Company (hereinafter called "The Board") shall from time to time determine and entrust to him. Subject to the superintendence, control and direction of the Board, the Managing Director shall have the general control and be responsible for the day to day business of the Company with powers to enter into contracts on behalf of the Company in the ordinary course of business and to do and perform all other acts and things which in the ordinary course of such business he may consider necessary or proper in the best interests of the Company.

The Managing Director shall report to the Board and shall be responsible for all his actions to the Board. It is hereby expressly agreed and declared that nothing herein contained shall vest or shall be deemed to be intended to vest in the Director, the management of the whole or substantially the whole of the affairs of the Company.

1. Salary: Rs. 65,000 - 5,000 - 75,000 per month.
2. Perquisites: The Managing Director shall be entitled to the following perquisites provided that the total value of the perquisites shall be restricted to an amount equal to the annual salary or Rs. 350,000/- per annum, whichever is lower.
 - 2.1 Housing:
The Managing Director shall be entitled for House rent allowance of Rs. 5,000/- per month.
 - 2.2 Special Allowance :
The Managing Director shall be entitled to Rs. 60,000/- per annum as special allowances.
 - 2.3 Medical Reimbursement:
Expenses incurred for the appointee and his family subject to a ceiling of one month salary per month and in accordance with rules specified by the company.

Explanation: For the purposes of a "family", family means the spouse, dependent children and dependent parents of the appointee.

- 2.4 Membership of the Employees' Provident Fund of the company to which the company will contribute at such percentage of salary as may be applicable, from time to time, to the employees. The appointee will be governed by the provident fund rules of the company.
- 2.5 Encashment of leave: As per company's rules. Encashment of leave, if any, in accordance with the rules of the Company shall be allowed only at the time of retirement or at the end of tenure as the case may be and it will not be included in the computation of ceiling for perquisites.
- 2.6 Provision of Car for use in Company's business and telephone at residence will not be considered as Perquisites. Telephone at residence reimbursed for rental and business calls.
- 2.7 Reimbursement of actual expenses for books and periodicals purchased for purposes of carrying-on his duties and reimbursement of entertainment expenses actually and properly incurred in the course of the Company's business.
- 2.8 The Managing Director shall not be paid any sitting fees for attending the meetings of the Board or any committee thereof.
- 2.9 Gratuity: - Payable in accordance with an approved fund, which does not exceed half month's salary for each completed year of service, subject to a ceiling of Rs. 500,000/-

RESOLVED FURTHER that in the event of loss or inadequacy of profits in any financial year during the period of Mr. S.N. Kamath's appointment, he will be paid or provided the salary, the allowances, and the perquisites as set out in the foregoing part of this resolution as the 'minimum remuneration' notwithstanding the fact that such remuneration is in excess of the limits set-out in Sections 198 and 309 of the Companies Act, 1956 or in Section II of Part II of Schedule XIII to the Companies Act, 1956 and necessary approvals will be sought from Central Government."

RESOLVED FURTHER that an agreement, covering the above terms, be executed with Mr. S.N. Kamath under the Common Seal of the Company to be affixed thereto in accordance with the Articles of Association of the Company.

"RESERVED THAT pursuant to Section 21 and any other applicable provisions, if any of the Companies Act, 1956 and subject to the terms of the Listing Agreement, approval of the members be and is hereby accorded to the change of name of the company from " Bliss Chemicals and Pharmaceuticals Limited" to "BlissGVS Pharma Limited" and accordingly, the name "Bliss Chemicals and Pharmaceuticals Limited", wherever it appears in the Memorandum and Articles of Association of the Company, be substituted by "Bliss GVS Pharma Limited".

RESOLVED FURTHER THAT Mr. S. N. Kamath - Managing Director and Mr. Ramesh Mishra be and are hereby authorised jointly and severally to do all such acts and things as may be required to give effect to the said resolution.

By Order of the Board

S. N. KAMATH
Managing Director

Registered Office:

Bldg. No. 6, Unit No. 29-A,
Udit Mittal Ind. Estate Society Ltd.,
Andheri - Kurla Road, Andheri (East),
Mumbai 400 059.

Mumbai, Dated : 27th June, 2006

**NOTES:**

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF / HERSELF AND SUCH PROXY NEED NOT BE A MEMBER. PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED AT THE COMPANY'S REGISTERED OFFICE AT BUILDING NO.6, UNIT NO.29-A, UDIT MITTAL INDUSTRIAL SOCIETY LTD., ANDHERI KURLA ROAD, ANDHERI (EAST), MUMBAI - 400 059. NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE MEETING.
2. An Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of Special Business under Item No. 5 to the notice are annexed.
3. The Register of Members and Share Transfer Books of the Company will remain closed from 14/08/2006 to 18/08/2006 (both day's inclusive) for the purpose of payment of dividend.
4. The Dividend, as recommended by the Board, if sanctioned at the meeting, will be paid on or after the 18/08/2006 to those members or their mandates whose names stand registered on the Company's Register of Members:-
 - a. As Beneficial Owners as at the end of Business on 12/08/2006 as per the lists to be furnished by National Securities Depository Limited and Central Depository Services (India) limited in respect of the shares held in electronic form, and
 - b. As Members in the Register of Members of the Company after giving effect to valid transfers in physical form lodged with the Company on or before 12/08/2006.
5. In compliance with SEBI Circular No. D&CC/FITT/CIR-15/2002 dated December 27, 2002 read with circular No. D&CC/FITT/CIR-18/2003 dated February 12, 2003, mandating a Common Agency for Share Registry Work (Physical & Electronic), the company has already appointed M/s. Mondkar Computers Pvt. Ltd. as the Registrar & Share Transfer Agents, having their office at 21, Shakeel Niwas, Mahakali Caves Road, Andheri (East), Mumbai 400 093
6. Members are requested to notify immediately any change in their address:
 - a. To their Depository Participants (Dps) in respect of their electronic share accounts, and
 - b. To the Share Transfer agent Mondkar Computer having office at 21, Shakeel Niwas, Mahakali Caves Road, Andheri (East), Mumbai- 400 093.
7. Members may please bring the Admission Slip duly filled in and may hand over the same at the entrance to the Meeting Hall.
8. Members desirous of obtaining any information concerning accounts and operations of the Company are requested to address their questions in writing to the Board of Directors of the Company at least 7 days before the date of the Meeting so that the information required may be made available at the Meeting.
9. Members are requested to bring the copy of the Annual Report sent to them.
10. Information required to be furnished under the Listing Agreement.

As required under the listing Agreement with the Stock Exchanges, the particulars of Directors who are proposed to be appointed/reappointed are given below:

Name	: S. N. Kamath
Date of Birth	: 21st December, 1953
Qualification	: Intermediate
Expertise	: Businessman and is into export of Pharmaceuticals for past 15 years.
Other Directorship	: None

ANNEXURE TO NOTICE

EXPLANATORY STATEMENT PURSUANT TO SUB SECTION (2) OF SECTION 173 OF THE COMPANIES ACT, 1956 IN RESPECT OF THE SPECIAL BUSINESS SET OUT IN THE NOTICE CONVENING THE ANNUAL GENERAL MEETING.

ITEM NO. 5

Mr. S.N. Kamath was appointed as Managing Director of the Company with effect from 9th May, 2006 for a period of 3 years. Considering his association with the company and the manner in which he has effectively handled the affairs of the company, the Board of Directors subject to the approval of the shareholders, appointed Mr. S.N. Kamath as Managing Director for a period of 3-years w.e.f 9th May 2006.

The Agreement referred to in the relevant resolution of the notice will be open for inspection by shareholders at the Registered Office of the Company between 11.00 a.m to 1.00 p.m. on any working day except Saturday.

The above may be treated as an abstract as required under Section 302 of the Companies act, 1956.

None of the Directors of the Company other than Mr. S. N. Kamath is concerned or interested in this item of business.

ITEM NO. 6

The Board of Directors in its meeting held on 27/06/2006 had proposed to change the name of the Company to meet with the export demand. GVS Lab presently predominated the international market and the Board proposed to change the name of the Company, which would be advantageous to the working of the Company and creating awareness in the public. All the above is subject to members approval.

On verification at the Registrar of Companies Office it was noticed that the name "BlissGVS Pharma Limited" is available.

The proposed change of name of the Company is subject to the consent of the members of the Company by way of special resolution.

Yours Directors recommend the above resolution for your approval.

No Director is concerned or interested in the resolution.

By order of the Board

S. N. KAMATH
Managing Director

Registered Office:

Building No. 6, Unit No. 29-A,
Udit Mittal Industrial Society Ltd.,
Andheri-Kurla Road, Andheri (East),
Mumbai - 400 059.

Mumbai, Dated : 27th June, 2006.



DIRECTORS' REPORT

We Have pleasure in presenting 21st Annual Report together with the Audited Accounts for the year ended 31st March, 2006.

SUMMARISED FINANCIAL RESULTS:

(Rs. In Thousands of Rupees)

	Year ended 31.3.2006	Year ended 31.3.2005
Gross Turnover	5,95,78,732	4,61,00,081
Operating Income	19,41,720	11,94,657
Profit before interest and depreciation	1,96,40,815	77,73,307
<u>Less:</u> Interest	1,78,758	51,118
Depreciation	12,44,300	7,46,260
Proposed Dividend	41,50,510	NIL
Balance brought forward from previous year	74,25,640	36,95,142
Profit available for appropriation	1,18,11,500	42,37,161
Transfer to General Reserves	1,50,00,000	5,00,000
Balance in Profit & Loss Account	86,630	74,25,640

THE YEAR UNDER REVIEW

During the year under review, the company had booked profit after tax of Rs. 1,18,11,500/- we continued to perform well in the Healthcare segment and the new initiatives in the Pharma Sector also give the company new lease of hope. The Company earned Rs. 95,86,639/- from export.

Your Company's key businesses have reported an encouraging performance for the year ended 31st March 2006. In the year gone by the company has demonstrated its execution skills booking sales order of Rs. 5,95,78,732/- (Previous Year Rs. 4,61,00,081/-)

As a policy your company has been upgrading its plant and machinery periodically to meet with any change and demand. The Company got GMB Certification to meet with the export demands.

FUTURE OUTLOOK

The Company has planned to emphasis more into export business. Hence, the Company has planned to set a 100% EOU. Negotiations are on to purchase the GVS Pharma a 30-cr Export Oriented proprietary concern of Mr. S.N. Kamath present Promoter of the Company.

GVS Pharma is well known around the world as an export house. The Business of the Company can be multifold by enhancing the stockholders value by way of take over of GVS Pharma by the Company and by change to name to reflect the integration of both the entities.

Taking into account the acceptability of suppositories and its enduring benefits the company in the days to come will give more attention to the Suppositories. Over the longer-term, our aspirations are to leverage our R&D capabilities to develop our own line of product and patents to establish our presence felt in other countries as well.

ENERGY, TECHNOLOGY AND FOREIGN EXCHANGE:

As required by the Companies (Disclosure of Particulars in the Report of Board Of Directors) Rules, 1988 the relevant information pertaining to conservation of energy, technology absorption, foreign exchange earnings and outgo are as follows:

- A) **CONSERVATION OF ENERGY:** The Company continues its policy of encouraging energy conservation measures. The regular review of energy consumption and the systems installed to control utilization of energy is undertaken.
- B) **RESEARCH DEVELOPMENT ACTIVITIES:** Continuous efforts are being made to improve reliability and quality through in-house R&D efforts.
- C) **TECHNOLOGY ABSORPTION:** The Company is equipped with technologies in part of time and keep on upgrading its technology.
- D) **FOREIGN EXCHANGE EARNINGS & OUTGO:**

	2005-2006	2004 2005
a) Foreign Exchange Used	Rs.11,55,591/-	NIL
b) Foreign Exchange Earned	Rs.95,86,639/-	Rs.5,49,240/-

FIXED DEPOSITS

The Company neither has accepted nor renewed any fixed deposit during the year under review.

DIRECTORS

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company Mr. S.N. Kamath retires by rotation and being eligible offer himself for re-appointment. The term of Mr. M.G. Wagle as a Managing Director come to an end on his attainment of age of super annuation. Mr. S.N. Kamath appointed as Managing Director of the Company with effect from 9th May 2006

DIVIDEND

The Board has decided to recommend 10% Dividend for the period ended 31st March 2006.

AUDITORS' REPORT

Relevant notes on accounts are self-explanatory and are as per Annexure to the Auditors' Report.

PERSONNEL

The Company has not paid any remuneration attracting the provisions (Particulars of Employees) Rules, 1975 read along with section 217(2A) of the Companies Act, 1956. Hence no information is required to be appended to this report in this regard.

AUDITORS

The retiring Auditors M/s. B.K. Khare & Co., Chartered Accountants, Mumbai, hold office till the conclusion of this Annual General Meeting and being eligible offer themselves for re-appointment. They have furnished a certificate to the effect that the proposed re-appointment, if made, will be in accordance with the limits specified U/s. 224(1B) of the Companies Act, 1956.

HUMAN RESOURCES

We take this opportunity to thank employees at all levels for their dedicated service and contribution made towards the growth of the company.

CHANGE OF NAME

The Board recommended the change of name to meet the export demands and to capitalize the export market created by "GVS Labs"



ACKNOWLEDGMENTS

Your Directors convey their sincere thanks to the Government, Banks, Shareholders and customers for their continued support extended to the company at all times.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under section 217(2AA) of the Companies Act, 1956, with respect to Directors' Responsibility Statement, it is hereby confirmed:

- (i) That in the preparation of the accounts for the financial year ended 31st March, 2006, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (ii) That the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were 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 and loss of the Company for the year under review;
- (iii) 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;
- (iv) That the Directors have prepared the accounts for the financial year ended 31st March 2006 on a 'going concern' basis.

On behalf of the Board of Directors.

Report

junction

G. G. Desai
Chairman

S. N. Kamath
Managing Director

Place : Mumbai

Dated : 27th June, 2006

CORPORATE GOVERNANCE PHILOSOPHY OF CORPORATE GOVERNANCE

Corporate Governance is the leitmotiv and fundamental article of faith of all our action in BLISS CHEMICALS AND PHARMACEUTICALS INDIA LIMITED. It has been guiding force in our quest for instituting within our edifice, systems and processes that promote the values of transparency, professionalism and accountability and compliance.

The Company remains firmly committed to this central theme and endeavours to improve these values on an ongoing basis.

COMPOSITION OF BOARD

SR. NO.	CATEGORY	NAME OF DIRECTOR	DESIGNATION
1	Independent Director	G.G.Desai	Chairman
2	Promoter and Non Executive Director	Gautam R.Ashra	Director
3	Promoter and Executive Director	Shibroor N. Kamath	Director* Appointed As Managing Director of the Company on 09-05-2006
4	Promoter and Executive Director	Mangesh G. Wagle	Managing Director

Attendance of Directors at the Meeting of Board of Directors for the Financial Year 2005-2006 and Annual General Meeting Held On 16th September 2005.

Company has conducted 4 (Four) Board Meeting during the year.

April - June	July - September	October - December	January - March
21.04.2005	25.07.2005	11.10.2005	23.01.2006

The record of Attendance of Directors and membership of Board of Directors

SR. NO.	Name of Director	No Of Board Meeting Held During the Year	Attendance at the AGM
1	G.G.Desai	4	A
2	Gautam R.Ashra	4	P
3	Shibroor N. Kamath	4	P
4	Mangesh G. Wagle	4	P

Details of Board of Directors Meeting Held during the Financial Year 2005-2006

SR. NO.	Date	Board Strength	No.Of. Directors Present
1	21.04.2005	4	4
2	25.07.2005	4	4
3	11.10.2005	4	4
4	23.01.2006	4	4