

BERYL DRUGS LIMITED

7th Annual Report
1999 - 2000



For BERYL DRUGS LTD.,

Managing Director.

SEVENTH ANNUAL REPORT - 1999-2000

BOARD OF DIRECTORS	: Shri Sanjay Sethi Chairman Cum Managing Director Shri Sudhir Sethi, Whole-Time Director Shri Sunil Jain , 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	: 1) OWN UNIT Plot No. 123 Industrial Area No. 1 Pithampur, Distt. DHAR (M.P.) 2) PROPRIETARY UNIT FLORA & FAUNA REMEDIES Plot No. 124 Industrial Area NO.1 Pithampur, Distt. DHAR (M.P.)
BANKERS	: 1. Punjab National Bank, Indore
LISTED STOCK EXCHANGES	: M.P. STOCK EXCHANGE Rajani Bhawan, Opp. High Court M.G. Road, INDORE (M.P.) 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

NOTICE

Notice is hereby given that the Seventh 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 Saturday the 30th September, 2000 at 10.30 A.M. to transact the following businesses :

AS ORDINARY BUSINESS

1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 2000 and Profit and Loss Account for the year ended on that date along with the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Shri 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 until the conclusion of the next Annual General Meeting and fix their remuneration.

SPECIAL BUSINESS

4. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

RESOLVED THAT in accordance with the provisions of section 198, 269 and 309 and all other applicable provisions, if any, of the Companies Act, 1956 (1 of 1956) read with Schedule XIII thereto, the consent of members of the Company be and is hereby accorded to the re-appointment of Shri Sanjay Sethi as the Chairman cum Managing Director of the Company for a period of five years with effect from December 12, 2000 at the following remuneration:

i) **REMUNERATION:**

- a) **Salary:** Rs. 7,500/- (Rupees Seven Thousand Five Hundred only) per month.

b) **Perquisites, Allowances & other Benefits:**

Perquisites shall be allowed in addition to salary, to be evaluated as per the Income Tax Rules, 1962 wherever applicable and in the absence of any such rule, perquisites shall be evaluated at actual cost. Perquisites in Category 'A' and Category 'B' shall be restricted to an amount not exceeding 150% of annual salary.

Unless the context otherwise requires, perquisites are classified into three categories 'A', 'B' and 'C' as follows:

CATEGORY 'A':

1. Reimbursement of medical expenses incurred for self and family subject to a maximum of three months' salary for a year.
2. Leave Travel concession for self and family once in a year, to and fro, any place in India subject to the condition that only actual fare and no hotel expenses etc., will be allowed.
3. Club Fees subject to a maximum of two clubs. This will not include admission and life membership fees.
4. Coverage for Personal Medical/Accident Insurance/Keymen Insurance or any coverage as per rules of the Company and annual premium for the same to be paid by the company.

Note: For the purpose of perquisites stated hereinabove, 'family' means spouse, dependent children and dependent parents of the appointee.

CATEGORY 'B':

1. Contribution to Provident Fund, Superannuation Fund and Annuity Fund, upto the tax free limit prescribed by the Income Tax Act, 1962, from time to time.
2. Gratuity not exceeding half a month's salary for each completed year of services, subject to a ceiling of Rs. 1,00,000/-.

CATEGORY 'C':

1. Free use of car with driver, the monetary value of which may be evaluated as per Income tax Rules, 1962.
2. Free telephone facility at residence. All personal long distance calls shall be billed by the Company.

The appointee shall be entitled to be reimbursed and paid out of the money, of the company, all costs, charges, and expenses, if any, paid, spent, expended, disbursed, or incurred by him for and on behalf of and on account of the company in the discharge and execution of his duties as the Chairman cum Managing Director of the Company or otherwise in connection with the business and affairs of the company. This provision shall also apply in respect of foreign travels undertaken by the appointee in connection with the business and affairs of the company, provided that the same should have been sanctioned by the Board of Director of the Company.

RESOLVED FURTHER THAT the above remuneration payable to Shri Sanjay Sethi is subject to the condition that the total remuneration

including all perquisites as mentioned above shall not exceed 5% of the net profits individually and 10% of the net profits collectively payable to all the Managing Directors/Whole-Time Directors as calculated in accordance with the provisions of Section 198, 309, 349, 350 and 351 of the Companies Act, 1956 or any amendment thereto or any other provisions as may be applicable.

RESOLVED FURTHER THAT the remuneration and perquisites as mentioned above payable to Shri Sanjay Sethi from time to time, may be increased, augmented or altered in such manner as the Board of Directors of the Company may deem fit and subject to the limits specified in Schedule XIII to the Companies Act, 1956 (including any statutory modification or re-enactment thereof, for the time being in force), or any amendments made thereto from time to time.

RESOLVED FURTHER THAT in the event of absence or inadequacy of profits in any financial year, Shri Sanjay Sethi will be paid the above salary as minimum remuneration provided that the total remuneration by way of salary, perquisites and any other allowances shall not exceed the limits specified under Section II of Part II of Schedule XIII of the Companies Act, 1956, as may be amended from time to time.

AND RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do and perform all such acts, deeds, matters and things, as may be necessary to give effect to the resolution.

5. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

RESOLVED THAT in accordance with the provisions of section 198, 269 and 309 and all other applicable provisions, if any, of the Companies Act, 1956 (1 of 1956) read with Schedule XIII thereto, the consent of members of the Company be and is hereby accorded to the re-appointment of Shri Sudhir Sethi as the Whole-Time Director of the Company for a period of five years with effect from December 12, 2000 at the following remuneration:

i) **REMUNERATION:**

a) **Salary:** Rs. 7,500/- (Rupees Seven Thousand Five Hundred only) per month.

b) **Perquisites, Allowances & other Benefits:**

Perquisites shall be allowed in addition to salary, to be evaluated as per the Income Tax Rules, 1962 wherever applicable and in the absence of any such rule, perquisites shall be evaluated at actual cost. Perquisites in Category 'A' and Category 'B' shall be restricted to an amount not exceeding 150% of annual salary.

Unless the context otherwise requires, perquisites are classified into three categories 'A', 'B' and 'C' as follows:

CATEGORY 'A':

1. Reimbursement of medical expenses incurred for self and family subject to a maximum of three months' salary for a year.
2. Leave Travel concession for self and family once in a year, to and fro, any place in India subject to the condition that only actual fare and no hotel expenses etc., will be allowed.
3. Club Fees subject to a maximum of two clubs. This will not include admission and life membership fees.
4. Coverage for Personal Medical/Accident Insurance/Keymen Insurance or any coverage as per rules of the Company and annual premium for the same to be paid by the company.

Note: For the purpose of perquisites stated hereinabove, 'family' means spouse, dependent children and dependent parents of the appointee.

CATEGORY 'B':

1. Contribution to Provident Fund, Superannuation Fund and Annuity Fund, upto the tax free limit prescribed by the Income Tax Act, 1962, from time to time.
2. Gratuity not exceeding half a month's salary for each completed year of services, subject to a ceiling of Rs. 1,00,000/-.

CATEGORY 'C':

1. Free use of car with driver, the monetary value of which may be evaluated as per Income tax Rules, 1962.
2. Free telephone facility at residence. All personal long distance calls shall be billed by the Company.

The appointee shall be entitled to be reimbursed and paid out of the money, of the company, all costs, charges, and expenses, if any, paid, spent, expended, disbursed, or incurred by him for and on behalf of and on account of the company in the discharge and execution of his duties as the Whole-Time Director of the Company or otherwise in connection with the business and affairs of the company. This provision shall also apply in respect of foreign travels undertaken by the appointee in connection with the

BERYL DRUGS LIMITED

business and affairs of the company, provided that the same should have been sanctioned by the Board of Director of the Company.

RESOLVED FURTHER THAT the above remuneration payable to Shri Sudhir Sethi is subject to the condition that the total remuneration including all perquisites as mentioned above shall not exceed 5% of the net profits individually and 10% of the net profits collectively payable to all the Managing Directors/Whole-Time Directors as calculated in accordance with the provisions of Section 198, 309, 349, 350 and 351 of the Companies Act, 1956 or any amendment thereto or any other provisions as may be applicable.

RESOLVED FURTHER THAT the remuneration and perquisites as mentioned above payable to Shri Sudhir Sethi from time to time, may be increased, augmented or altered in such manner as the Board of Directors of the Company may deem fit and subject to the limits specified in Schedule XIII to the Companies Act, 1956 (including any statutory modification or re-enactment thereof, for the time being in force), or any amendments made thereto from time to time.

RESOLVED FURTHER THAT in the event of absence or inadequacy of profits in any financial year, Shri Sudhir Sethi will be paid the above salary as minimum remuneration provided that the total remuneration by way of salary, perquisites and any other allowances shall not exceed the limits specified under Section II of Part II of Schedule XIII of the Companies Act, 1956, as may be amended from time to time.

AND RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do and perform all such acts, deeds, matters and things, as may be necessary to give effect to the resolution.

Dated : 12th August, 2000

By Order of the Board of Directors,
SD/-

Registered Office :

133, Kanchan Bag, Indore - 452 001.

(SANJAY SETHI)
CHAIRMAN CUM MANAGING DIRECTOR

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 share transfer books of the Company will remain closed from 15th September 2000 to 30th September, 2000 (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. Shareholders are requested to bring their copy of Annual Report to the meeting along with the attendance slip.
6. The members holding Shares in the same name under different folios are requested to apply for consolidation of such folios and send the relevant share certificate to the Share Transfer Agents of the Company.

**EXPLANATORY STATEMENT PURSUANT TO
SECTION 173 OF THE COMPANIES ACT, 1956**

ITEM NO. 4 & 5:

The Members are aware that Mr. Sanjay Sethi and Mr. Sudhir Sethi were appointed as Chairman cum Managing Director and Whole-Time Director, respectively, of the Company for a period of two year from December 12, 1998 by the members. The present tenure of their appointment expires at December 11, 2000.

(3) Pursuant to the provisions of section 198, 269, 309 read with Schedule XIII of the Companies Act, 1956, the resolution for their re-appointment require approval of the Company in General Meeting and the resolution set out at Item No. 4 & 5 are intended for that purpose.

Your Directors recommend the resolution set out at Item No. 4 & 5 for your approval.

None of the Directors of the Company except Shri Sanjay Sethi and Shri Sudhir Sethi, both being brothers, are concerned or interested in the resolutions.

By order of the Board of Directors

Place : Indore

Date : 12th August, 2000

SANJAY SETHI
CHAIRMAN CUM MANAGING DIRECTOR

DIRECTORS' REPORT

To the Members,

Your Directors take pleasure in presenting the Seventh Annual Report together with Audited Accounts for the financial year ended 31st March, 2000.

1. **FINANCIAL RESULTS**

	(Rupees in Lacs)	
	Year ended 31.3.2000	Year ended 31.3.1999
Sales	364.66	262.29
Profit before Interest, Depreciation & Tax	43.08	21.45
Less : Interest & Financial Charges	9.67	10.99
Profit before Depreciation & Tax	33.41	10.46
Less : Depreciation	32.37	37.34
Profit before tax	1.04	(-) 26.88
Less : Provision for Tax	0.09	Nil
Profit(+)/Loss(-) after tax	0.95	(-) 26.88
Add: Excess provision/written back (I.Tax)	Nil	1.40
Less : Prior Period Adjustments (Income tax)	0.63	0.11
Net Profit (+)/Loss (-) for the period	0.32	(-) 25.59
Less : Loss of earlier years brought forward	42.68	17.09
Net Loss carried to the Balance Sheet	42.36	42.68

2. **OPERATIONS**

The final year of last millennium was good for the Company. The Company could turnaround the losses into profits this year. The Profit after tax stands at Rs. 0.95 lacs as compared to losses of Rs. 26.89 lacs during the previous year. The total sales of the Company has also registered an increase of 39.03% from Rs.262.29 lacs during the previous year to Rs.364.66 lacs during the year under review.

The company's product have been very well accepted by the customers. The top class quality of products and customer services have helped the Company in developing strong brand image among the customers as well as doctors. The continuous thrust on export would make it possible for the Company to exploit the strength of India in the field of medicines.

3. **DIVIDEND**

Having regard to the quantum of profits and the losses of earlier years, your directors have decided not to declare any dividend during the year under review.

4. **PROPRIETARY DIVISION (FLORA & FAUNA REMEDIES)**

During the year under review no manufacturing activities were carried out by the Proprietary Division due to continue of repairs and renovation of plant.

5. **FUTURE OUTLOOK**

The Indian Economy has been witnessing signs of growth in past few months. The upswing mood could also be witnessed in the primary as well as secondary market. Some of the initial public offering have received subscription in excess of 100% and the prices of the almost all the scrips witnessed substantial improvement during the year under review. The country's export grew in double digits, as a result of recovery in world economy.

The formation of coalition government at centre has provided political stability to the country, which was absent since last 3-4 years. The government's commitment towards reform is also a positive signal for the economy.

The overall environment is not likely to change in the financial year 2000-2001 as industrial growth is likely to be stronger. GDP growth is expected to be around 6.00 per cent in financial year 2000. Your directors expect strong growth for the Company in short to medium term.

6. **DIRECTORS**

Mr. Sudhir Sethi retires by rotation at the ensuing Annual General Meeting. Being eligible, Mr. Sudhir Sethi

has expressed his willingness to be re-appointed as the Director of Company. A motion for re-appointment of Mr. Sudhir Sethi as the Director of the Company is proposed to be placed before the members in the ensuing Annual General Meeting.

The tenure of Mr. Sanjay Sethi and Mr. Sudhir Sethi as the Chairman cum Managing Director and Executive Director of the Company expires at 11.12.1999. A motion for their re-appointment as Chairman cum Managing Director and Executive Director, respectively is also proposed to be placed before the members in the ensuing Annual General Meeting.

7. **AUDITORS**

M/s Subhash Chand Jain Anurag & Associates, Chartered Accountants, the Statutory Auditors of the Company retires at the conclusion of the forthcoming Annual General Meeting and being eligible have expressed their willingness to continue as auditors of the Company.

The notes on accounts referred to in the Auditors' Report are self-explanatory and do not require further explanation.

8. **PARTICULARS OF EMPLOYEES REMUNERATION**

Particulars of employees in accordance with the provisions of Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, as amended, are not given, as none of the employee qualify for such disclosure.

9. **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNING AND OUTGO**

The information as required under Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 in respect of conservation of energy, technology absorption and Foreign Exchange earnings and outgo is given in Annexure to the report.

10. **LISTING**

The Equity Shares of the Company are listed on the Mumbai, Ahmedabad and Indore Stock Exchange. The Company has paid the Annual Listing Fee to all above Stock Exchanges for the year 2000-2001.

11. **INDUSTRIAL RELATION**

The relation with the employees continued to be cordial and satisfactory.

12. **Y2K COMPLIANCE**

Your Company has achieved a smooth transition into the new millennium without any major problem arising from Y2K related activities.

13. **FIXED DEPOSIT**

The Company has not accepted any deposits from the public, during the year under review, in accordance with the provisions of Section 58A of the Companies Act, 1956 read with the Companies (Acceptance of Deposits) Rules, 1975.

14. **INSURANCE**

The Company's properties including building, plant & machinery, stocks, stores etc., continues to be adequately insured against all risk.

15. **SUBSIDIARY COMPANY**

The Company does not have any subsidiary Company. However, audited statement of Accounts along with the report of Auditors thereon of the Proprietary Unit Flora & Fauna Remedies, for the period ended 31st March, 2000, is annexed herewith.

16. **ACKNOWLEDGMENT**

The Board of Directors wishes to express their sincere appreciation for the continued co-operation, encouragement, support and assistance provided by the Company's Banks during the year. The Directors express their appreciation for the support and contribution made by the employees at all levels.

On behalf of the Board of Directors,

Sd/-

Sanjay Sethi
Chairman

Place : Indore

Dated : August 12, 2000

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 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	1999-2000	1998-99
1) Electricity		
a) Purchased Quantity (Unit)	116124	196210
Total Amount (Rs.in lacs)	6.55	9.93
Average Rate (Rs.)	5.63	5.06
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	N.A.
2) Coal	Nil	Nil
3) Furnace Oil		
Quantity (Ltrs)	96000 Ltrs	52176 Ltrs
Total Amount (Rs. in Lac)	10.58	4.69
Average Rate of Furnace Oil	11.02	9.00
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.

FORM B Forms for disclosure of particulars with respect to technology absorption 1999-2000.

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 levels is being kept by the section. This section also keep a regular track on latest advancement on the injection technology in order to keep changing with the demand.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

Foreign Exchange Earning : Nil

Foreign Exchange Outgo : Nil

BY ORDER OF THE BOARD OF DIRECTORS

Place : Indore

Date : 12th August 2000

SANJAY SETHI
CHAIRMAN CUM MANAGING DIRECTOR

AUDITORS REPORT

TO
THE MEMBERS
BERYL DRUGS LIMITED,
INDORE.

We have audited the attached Balance Sheet of Beryl Drugs Limited as at 31st March, 2000 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, 2000 and
 - ii. In the case of Profit & Loss account, of the profit 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 : 12th August, 2000

**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, 2000.**

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 explanations given to us 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.
6. On the basis of our examination of stock records, the valuation of the stock is fair and proper and in accordance with the normally accepted accounting principles. It is on the same basis as in the preceeding years except to the extent that for the purpose of valuation of closing stock of finished goods, the mode of determination of cost has been changed to include excise duty and to exclude interest on working capital loan. As a result of