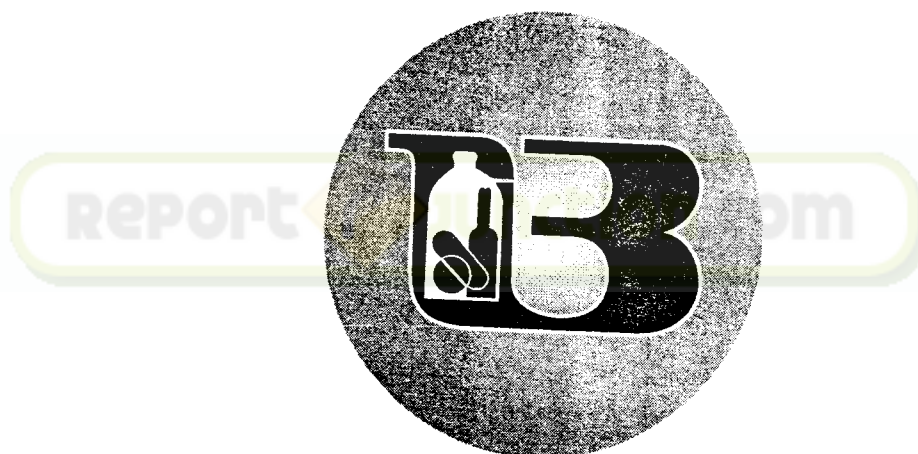


14th Annual Report 2006-2007



BERYL DRUGS LIMITED FOURTEENTH ANNUAL REPORT 2006-2007 CORPORATE INFORMATION

BOARD OF DIRECTORS :

Shri Sanjay Sethi - Chairman cum Managing Director
Shri Sudhir Gethi - Whole-time Director
Shri Sunil Jain - Director
Shri Rajendra Dammani - Director
Shri Hemant Jain - Director

AUDIT & REMUNERATION COMMITTEE :

Shri Rajendra Dammani - Chairman.
Shri Sunil Jain - Member
Shri Hemant Jain - Member

SHARE TRANSFER /SHAREHOLDER GRIEVANCE COMMITTEE :

Shri Sunil Jain - Chairman.
Shri Rajendra Dammani - Member
Shri Hemant Jain - Member

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.

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

REGISTRAR AND SHARE TRANSFER AGENT :

M/s. Adroit Corporate \$ Service (P) Ltd.
15/20, Jaferbhoy, Industrial Estate,
1st Floor Makwana Road, Moral Naka,
Andheri (E) Mumbai - 400 059
Ph. 022 - 28596060, 28594060 Fax - 28503748

ANNUAL GENERAL MEETING

Date & : September 29, 2007
Time at 11.00 a. m.

Day : Saturday

Venue : Kanchan Palace, Community
Hall, Nipania, Ring Road,
Indore (M.P.)

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NOTICE

Notice is hereby given that the Fourteenth Annual General Meeting of the Company will be held on Saturday, the September 29, 2007 at 11.00 A.M. at the Kanchan Palace, Community Hall, Nipania, Ring 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 2007 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. Hemant Jain, 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.

SPECIAL BUSINESS:

4. To consider and if thought fit, to pass, with or without modification, the following resolutions as an **Special Resolution**:

RESOLVED THAT pursuant to the provision of the Securities and Exchange Board of India (Delisting of Securities) Guidelines, 2003 and subject to the provisions of the Security Contract and Regulation Act, 1956, Listing Agreement, and any other such consent, approval and any directions or modifications as may be issued by any regulating authorities, the consent of the members of the Company be and is hereby granted for Voluntary Delisting of Equity Shares of Rs. 10 each from the Ahmedabad and Madhya Pradesh Stock Exchange to the Board of directors of the Company.

RESOLVED FURTHER THAT the board of directors be and is hereby authorized to accept any terms and conditions as may be imposed by the Stock Exchanges, SEBI or any regulating authorities and to settle all the questions and matters arising out of and incidental to the proposed voluntary delisting of the equity shares of the Company from the above said stock exchanges and to take all necessary steps including execution of all writings, which the Board, in its absolute discretion necessary, proper or expedient for giving effect to the above said resolution.

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

RESOLVED THAT in terms of applicable provisions of section 81 (1A) of the Companies Act, 1956, consent of the Company be and is hereby accorded to the Board of Directors of the Company (herein after referred to as "the Board" which expression shall include any committees thereof) pursuant to the provisions of Section 81 (1A) and other applicable provisions, if any, of the Companies Act, 1956 and the existing guidelines of the Securities and Exchange Board of India (SEBI) and subject to all consents and permissions as may be required by the Law and subject to such conditions and modifications as may be imposed upon and accepted by the Board, to offer and issue Rs. 1,00,00,000/- (Rupees One Crore Only) by issuing 10,00,000 Equity Shares of Rs. 10/- each on preferential allotments to the entities stated hereunder subject to the conditions laid down in the Explanatory Statement annexed to the Notice and that such Preferential Shares shall rank in all respects pari passu with the existing Equity Shares of the Company.

The Equity Shares will be allotted to the following persons:

| S. No. | Name of the proposed allottees | No. of Shares offered | Nominal Value of Shares (Rs.) |
|--------|--------------------------------|-----------------------|-------------------------------|
| 1. | Sanjay Sethi | 2,50,000 | 25,00,000 |
| 2. | Sudhir Sethi | 2,50,000 | 25,00,000 |
| 3. | Soniya Sethi | 2,50,000 | 25,00,000 |
| 4. | Sangeeta Sethi | 2,50,000 | 25,00,000 |

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BERYL DRUGS LIMITED

RESOLVED FURTHER THAT for the purpose of giving effect to the above issue of allotment of Equity Shares, the Board be and is hereby authorized to do all such act, deeds, matters and things and execute all such deeds, documents, instruments and writing as they may, in their absolute discretion, deem necessary or desirable in connection with or incidental thereto without being required to such any further consent or approval of the Company or otherwise and to settle any question, difficulty/or doubt that may arise in the regard to the offer, issue, allotment and utilization of the issue proceeds of the Equity Shares to the Company's projects/ other corporate needs as they deem fit."

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 19, 2007 to September 29, 2007 (both days inclusive).
3. Members are requested to intimate immediately any change in their addresses at the registered office 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 the 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.

Place: Indore
 Dated: August 04, 2007

By order of the Board
 For Beryl Drugs Limited
 SD/-
 (SANJAY SETHI)
 CHAIRMAN CUM MANAGING DIRECTOR

ANNEXURE TO NOTICE

EXPLANATORY STATEMENT

As required under Section 173(2) of The Companies Act, 1957, the following explanatory statement will sets out all the material facts relating to item of special business mentioned in the notice

ITEM NO.4

The Company's Equity Shares are enlisted with the Mumbai, Ahmedabad and Madhya Pradesh Stock Exchange; there is no trading or negligible trading of equity shares since listing at the Ahmedabad and Madhya Pradesh Stock Exchange. However, the Company's shares are regularly being traded at the Mumbai Stock Exchange.

In terms of the SEBI (Delisting of Securities) Guidelines, 2003, recently announced by the SEBI, now the Companies have been permitted for voluntary delisting of shares including from the Regional Stock Exchange, subject to the compliance of the terms and conditions of the said guidelines. The Board considered that the Mumbai Stock Exchange is having nationwide trading terminals and the investors have access to trade and deal in Company's shares across the country.

Equity shares of the Company listed on the Ahmedabad and Madhya Pradesh Stock Exchange are not providing any significant tangible advantages to the shareholders and investors of the company.

Therefore, the Board at their meeting held on 04.09.07 has considered to recommend for voluntary delisting of Company's Equity Shares from the Ahmedabad and Madhya Pradesh Stock Exchange and continue its listing only with the Stock Exchange Mumbai to avoid unnecessary financial and administrative burden due to multiple compliance of the various clauses of the Listing Agreement from time to time and provide better services to the investors through the nationwide Stock Exchange terminal.

Your directors recommend to pass the said resolution as Special Resolution as set out in item No. 4 of the notice, for voluntarily delisting the shares of the Company from said Stock Exchange.

None of the directors are concerned or interested in the above said resolution, except as a member of the company.

ITEM NO. 5

Looking into the requirements for the working capital needs for smooth business activities your Board of Directors propose to raise the capital by way of issuance of 10,00,000 Equity Shares of Rs. 10/- each aggregating to Rs. 1,00,00,000 (One Crore only) by way of Preferential Allotment.

The Company requires the funds for capacity enhancement, purchase of new machinery and construction of new building.

The Equity Shares will be allotted to the following persons:

| S. No. | Name of the proposed allottees | No. of Shares offered | Nominal Value of Shares (Rs.) |
|--------|--------------------------------|-----------------------|-------------------------------|
| 1. | Sanjay Sethi | 2,50,000 | 25,00,000 |
| 2. | Sudhir Sethi | 2,50,000 | 25,00,000 |
| 3. | Soniya Sethi | 2,50,000 | 25,00,000 |
| 4. | Sangeeta Sethi | 2,50,000 | 25,00,000 |

The allotment of above referred shares will be completed within three months from the date of the passing of proposed resolution.

Under Section 81 of the Companies Act, 1956, it is necessary to obtain the consent of the shareholders by way of a special resolution and your consent is accordingly sought to the proposed issue. The details of proposal are set out in the resolution.

Your Directors recommend the proposed resolution be adopted in the interest of the Company.

The Directors of the Company may be deemed to be interested in the resolution to the extent the shares are allotted to them/their relatives and persons acting in concert.

By order of the Board
For Beryl Drugs Limited
SD/-

(SANJAY SETHI)
CHAIRMAN CUM MANAGING DIRECTOR

Place : Indore

Dated : August 04, 2007

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BERYL DRUGS LIMITED

DIRECTORS' REPORT

To,

The Members,
Beryl Drugs Limited

Your Directors have pleasure in presenting their Fourteenth Annual Report of the Company together with the Audited Accounts for the financial year ended on 31st March 2007.

1. FINANCIAL RESULTS AND OPERATION:

The Company's financial results have been summarised as follows:

| | (Rupees in Lacs) | |
|---|-------------------------|-------------------|
| | Year ended | Year ended |
| | 31.3.2007 | 31.3.2006 |
| Total Income | 831.16 | 745.64 |
| Total Expenditure | 822.20 | 744.58 |
| Profit before prior period adjustment | 8.96 | 1.06 |
| Less: Prior period adjustment | 2.07 | 0.30 |
| Profit before Tax | 6.89 | 0.76 |
| Less: Provision for Income Tax | 6.55 | 0.13 |
| Profit after Tax | 0.34 | 0.62 |
| Profit/ (Loss) brought forward from last year | 38.56 | 37.93 |
| Balance of Profit/(loss) carried to Balance Sheet | 38.90 | 38.55 |

Due to better implementation of management strategies and plans supported by efforts and dedication of staff and employees, the Company succeeds to achieve the turnover of Rs. 81791519.79 against the turnover of Rs. 73842152.50 recorded during the previous year, and thus resulted in increase in the profit before tax of the Company to Rs. 895837.32 as against Rs. 105698.66 in the previous year. Your Directors expect a better performance in the coming years.

Your management is very hopeful to achieve better results in forthcoming period and expects to achieve better financial results as per the perception of the Shareholders of the Company.

The Company has tried to put every effort so that the customer's satisfaction spirit of the company remains unquestionable and the company achieves new heights of success.

2. DIVIDEND :

In order to further strengthen the Company to expand its business activities and to conserve the financial resources, your Directors regret for their inability to recommend any dividend for the financial year 2006-07.

3. 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.

4. MANAGEMENT :

Shri Hement Jain, Director of the Company, retire by rotation at the date of ensuing Annual General Meeting and being eligible offers himself for the re-appointment. A motion for the re-appointment of Shri Hement Jain, as Director of the Company will be placed before the Members in the ensuing AGM. Further Mr. Rajendra Dammani resigned from the post of the director w.e.f 3rd August 2007. Your directors are trying to find suitable director in the place of the retiring director.

5. 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 where so ever otherwise contained in the Audit Report, Your Directors hereby confirm.

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1. That in the preparation of the annual accounts for the financial period ended on 31st March, 2007 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.

6. AUDITORS :

The statutory auditors of the Company, M/s. Subhash Chand Jain Anurag & Associates, Chartered Accountants, Indore (M.P.) retires at the conclusion of the forthcoming Annual General Meeting and being eligible offer themselves for reappointment.

The Company has received a certificate 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.

7. AUDITOR'S REPORT:

The Auditors Report on the accounts for this accounting period ended on 31st March 2007 is self-explanatory, therefore does not require any further explanation.

8. INSURANCE

The Company's plant, property, equipment, machinery and stocks are adequately insured against various mis-happenings.

9. 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.

10. 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. There is no foreign exchange earning and outgo during the year.

11. CORPORATE GOVERNANCE:

The Company has complied with the mandatory statutory requirement of corporate Governance specified by the Securities and Exchange Board of India through Clause 49 of the Listing agreement. As required by the said clause, a separate report on the Corporate Governance forms part of this Annual report.

A certificate from the Statutory Auditors of the Company regarding compliance of conditions of Corporate Governance has been obtained and is enclosed to this report

12. LISTING OF SECURITIES :

The Equity Shares of the Company are listed with the Stock Exchanges of Mumbai, Madhya Pradesh and Ahmedabad. The Company is proposing to delist its securities from the M.P. and Ahmedabad Stock Exchanges.

13. PREFERENTIAL ISSUE :

Your Directors are planning to expand its business and thus is proposing to bring a preferential issue of ten

14TH ANNUAL REPORT**BERYL DRUGS LIMITED**

lacs equity shares of Rs. 10 Each which is subject to the approval of the shareholders at the ensuing Annual General Meeting.

14. INTERNAL CONTROL SYSTEM :

The company has reasonable internal control system comprising authority levels and powers, supervision, checks and balances, policies, procedures and internal audit. The system is reviewed and updated on an on going basis. The Company is continuously upgrading its internal control systems by measures such as strengthening of Information Technology infrastructure and use of external management assuring services. However there is inherent limitation, including the cost of control that should be recognized in weighing the assurances providing by any systems of internal control

15. APPRECIATION AND ACKNOWLEDGEMENT

Your Directors appreciated the trust reposed by the medical fraternity and patients in the Company and look forward to their continued patronage. Your Directors are also grateful and pleased to place on record their appreciation and acknowledgement with gratitude the support and Company-operation extended by clients, customers, vendors, bankers, investors, media and both the State and central Government and their agencies and look forward their continued support.

By order of the Board
For Beryl Drugs Limited

SD/-

(SANJAY SETHI)
CHAIRMAN

Place : Indore

Dated : August 04, 2007

ANNEXURE TO DIRECTORS' REPORT**Particulars required under the Companies (Disclosure of particulars
In the Report of Board of Directors) Rules 1988.****FORM - A**

(Form for disclosure of particulars with respect to the conservation of energy)

(i) 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.

| | <u>2006-2007</u> | <u>2005-2006</u> |
|-----------------------------------|------------------|------------------|
| <u>Electricity</u> | | |
| a. Purchased Quantity (Unit) | 441398 | 423496 |
| Total Amount (Rs. in lacs) | 23.25 | 21.26 |
| Average Rate per unit (Rs) | 5.27 | 5.02 |
| <u>Coal</u> | | |
| a. Quantity in M.T. | | 755.280 |
| b. Total Amount (in Rs.) | | 2198751 |
| c. Average Rate per M.T. (in Rs.) | | 2911.18 |
| <u>Diesel</u> | | |
| a. Quantity in M.T. | | 2368.37 |
| b. Total Amount (in Rs.) | | 82893.00 |
| c. Average Rate per M.T. (in Rs.) | | 35.00 |

(ii) 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)**

- Research and Development work concerning process improvements of small volume injections and large volume injections are carried out at Company's work at Pithampur.
- Your Company is having research and development cell headed by a senior and experienced chemist. Continuous observation 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 of the injection technology in order to keep changing with the demand.

By order of the Board of Directors,
Sd/-

Sanjay Sethi
Chairman Cum Managing Director

Place : Indore
Dated : August 04, 2007

CORPORATE GOVERNANCE DISCLOSURE:

The Company pursuant to the clause 49 of the Listing agreement entered with the Stock Exchanges furnishes its report on the code of Corporate Governance as on 31st March 2007.

A) COMPANY'S PHILOSOPHY

The Philosophy on Corporate Governance is implemented in the Company with the Objective of attaining the highest standards of Corporate Governance to respect its fiduciary responsibility to the shareholders. The policies and guidelines of Corporate Governance have been implemented in all facets of its operation to build up an environment of trust and confidence amongst the stakeholders of the Company. The cardinal principal such as independence, accountability, responsibility, transparency, fair and timely disclosures, credibility etc. serve as the means for implementing the philosophy of corporate governance in letter and spirit.

We believe that sound corporate governance is critical to enhance and retain investor trust. Accordingly, we always seek to ensure that we attain our performance with integrity and the Board exercises its fiduciary responsibility in the widest sense of the term

B) BOARD OF DIRECTORS

The Board of Directors of the Company is comprised of :

- Two Executive Director.
- Three non-executive Directors out of which one director resigned w.e.f. 3rd August 2007

Attendance of each Directors at the Board meetings, last Annual General Meeting and number of other Directorship and Chairmanship/ membership of Committee of each director in various Companies.

| Name of Director | Category | Attendance Particulars | | No. of other Directorships and Committee membership / chairmanship | | |
|-----------------------|----------|------------------------|----------|--|----------------------|------------------------|
| | | Meeting | Last AGM | Other Directorship | Committee Membership | Committee Chairmanship |
| Mr. Sanjay Sethi | CMD | Six | Yes | One | Nil | Nil |
| Mr. Sudhir Sethi | WTD | Six | Yes | One | Nil | Nil |
| Mr. Rajendra Dammani* | NED | Six | Yes | One | Six | Two |
| Mr. Sunil Jain | NED | Six | Yes | One | Six | Three |
| Mr. Hemant Jain | NED | Six | Yes | Nil | Three | Nil |

*Resigned w.e.f. 3th August 2007

CMD: Chairman cum Managing Director

WTD: Whole time Director

NED : Non Executive Director

Number of Board of Directors Meeting held and the dates on which held

During the year, the Company held the Six Board Meetings as against the minimum requirement of Four meetings on April 15, 2006, July 15, 2006, October 14, 2007, January 15, 2007 and February 13, 2007 March 23, 2007. The maximum time gap between two meetings was not exceeding three calendar months.

C) AUDIT COMMITTEE**1. Terms of reference**

The Audit Committee is to oversee the Company's financial reporting process and disclosure of its financial information, to review and discuss with the Auditors about internal control system. The scope of audit includes compliance of accounting standards with Listing Agreement; compliance of accounting policies, practice and entries. To review the Company's financial and risk management policies, to review the quarterly, half yearly and annual financial statements before they are submitted to the Board of Directors. Minutes of Audit Committee are circulated to the members of the Board of Directors, discussed, and taken note of it.