

# 12 th Annual Report 1997-98

MD	✓		BEC	NA
CS	NA		DPY	NA
RO	✓		DIV	NA
TRA	NA		AC	✓
AGM	✓		SHI	✓
YE	✓			

*Certified to be True.*

For COMBAT DRUGS LTD.

Report

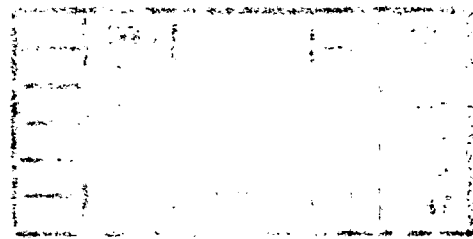
Junction

*[Signature]*  
MANAGING DIRECTOR



## COMBAT DRUGS LIMITED

Reg. Office : 185-186, Yellampet, Medchal Mandal, R.R. District. A.P.  
Admn. Office : 126/2RT, S.R.Nagar, Hyderabad – 500 038. Phone : 3702876, 3706059



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## *Formulating a Bright Future*

### **12<sup>th</sup> ANNUAL GENERAL MEETING**

**DATE : 30-03-1999**  
**DAY : TUESDAY**  
**TIME : 11.00 A.M**  
**VENUE : 185, 186  
 Yellampet  
 Medchal Mandal  
 R.R.DISTRICT  
 ANDHRA PRADESH**

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#### **A REQUEST**

**SHARE HOLDERS ARE REQUESTED  
 TO BRING THEIR COPY OF THE  
 ANNUAL REPORT TO THE MEETING**

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**BOARD OF DIRECTORS**

**Sri. SUCHIT MOHAN LAL**  
**Managing Director**

**Sri. AJAY KARAN**  
**Jt. Managing Director**

**Smt. VINITA MATHUR**

**Smt. JAI DEVI**

**Sri. PRATAP MOHAN LAL**

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**Auditors**  
**Mahesh, Virender & Sriram**  
**Chartered Accountants**  
**Ameerpet, Hyderabad**  
**Andhra Pradesh**  
**INDIA**

**Bankers**  
**The Dhanalakshmi Bank Limited**  
**Hyderabad**  
**Andhra Pradesh**  
**INDIA**

**Vijaya Bank**  
**S.D.Road,**  
**Secunderabad.**  
**Andhra Pradesh**  
**INDIA.**

**Registered Office**  
**185, 186 Yellampet**  
**Medchal Mandal**  
**R.R.District**  
**Andhra Pradesh**  
**INDIA**

SEN  
18/2/97

**Administrative Office**  
**126/2RT, S.R.Nagar**  
**Hyderabad – 500 038**  
**Andhra Pradesh**  
**INDIA**



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### **NOTICE**

Notice is hereby given that the 12th Annual General Meeting of the Members of COMBAT DRUGS LIMITED will be held on Tuesday, the 30th March, 1999 at 11 A.M. at the Registered Office at Survey No. 185, 186, Yellampet, Medchal Mandal, R.R. District, Andhra Pradesh to transact the following Business:

### **ORDINARY BUSINESS**

1. To receive, consider, and adopt the Balance Sheet as at 31st March, 1998, the Profit & Loss Account for the year ended as on that date and the Directors and Auditors Report thereon.
2. To consider and if thought fit to pass the following Resolution with or without modifications as an Ordinary Resolution:

"RESOLVED THAT M/s. Mahesh, Virender & Sriram, Chartered Accountants, Hyderabad be and are hereby re appointed as Auditors of the Company to hold the Office from the conclusion of this Annual General Meeting of the Company until the Conclusion of the next Annual General Meeting at an remuneration to be fixed by the Board of Directors in consultation with the Auditors.

- 1) A Member entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and to vote instead of himself.
- 2) The Proxy need not be a member of the Company
- 3) Should any member choose to exercise his right of appointing a proxy, the Proxy form attached herewith should be duly completed and should be deposited at the Registered Office not less than 48 Hours before the time of holding of the Meeting.
- 4) Member/Proxies should bring the attendance slip duly filled in for attending the meeting.
- 5) Member are requested to notify any change in their address immediately to the Registered Office of the Company.

By Order of the Board  
For COMBAT DRUGS LIMITED

Sd/-  
**SUCHIT MOHAN LAL**  
Managing Director

Place : Hyderabad.  
Date : 19-02-1999



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### Directors' Report

To  
The Members

Your Directors have pleasure in presenting their XII Annual Report together with the Audited Account for the financial year ended 31<sup>st</sup> March, 1998.

#### FINANCIAL HIGHLIGHTS

	(Rs. in Lakhs)	
	31.03.1998	31.03.1997
Turnover	212.15	182.3
Other Income	0.97	0.90
Gross Operating Profit	48.21	29.55
Interest & Finance Charges	35.32	16.76
Depreciation	8.98	6.51
Amortization	3.24	3.24
Profit Before Tax	0.66	3.02
Provision For Taxation	0.10	0.50
Profit After Tax	0.56	2.52
Add : Surplus Brought Forward	9.89	7.37
Amount Available for Appropriation	10.45	9.89

#### OPERATIONS :

During the year under review, your Company has recorded a Net Sales of Rs.212.15 Lacs registering a growth of 16% over last year. The gross profit has increased significantly by 63% over last year. However the substantial increase in the Interest & Finance Charges and depreciation has resulted in the decline in the Net Profit. During the year, your company has concentrated on consolidating its operations in the existing areas. The areas where the operations were started last year have now started showing signs of progress. Similarly, your Company has laid emphasis on establishing the existing product range rather than expanding and diversifying the Product Range further.

This has been done with a view to strengthen the base and prepare grounds for launching of new Products in the coming years.

It would be significant to mention that your Company has initiated negotiations with, for the Marketing of a revolutionary Anti Diabetic Drug "COGENT db" in some of the States where your Company has well established Marketing Set up and Distribution Net Work.

Similarly efforts have been made to procure and undertake the manufacturing of products of other Companies at your Factory on Job Work Basis. This would enable your Company to not only utilise the spare capacity but would also generate additional Income. Your company is already manufacturing the Products of Zental Drugs Limited on Loan License.

#### FUTURE PLANS

After an year of consolidating its existing operations your company aims at expanding its area of operations as well as Product range which would contribute towards increase in Turnover and profitability in the coming years.

Further, as the emphasis on job work from reputed companies would produce a significant increase in the Income, a much better performance can be envisaged in the next year.

The Marketing of "COGENT db" would further give a big boost to the image as well as the Turnover of your Company.

In view of the above plans, your Company can look to the future with expectancy and better prospects.

#### FIXED DEPOSITS

The company has not accepted any Fixed Deposits during the year.

#### EMPLOYEE RELATIONS

Your Company gives considerable importance to total employee involvement. The Board record is appreciation of the commitment and support of the employees at all levels.

Particulars of employees as required under section 217 (2A) of the companies act, 1956 are not applicable as there are no employees drawing remuneration in excess of the limits laid down.

#### DIRECTORS :

Mr. Shravan Kumar, Dr. Y.C. Mathur, Mr. Sushil Kumar and Mr. Yuvraj Karan, Directors, have resigned from their office due to their preoccupation and other engagements. The Board places on record its appreciation for the services rendered by them during their tenure of office.

The Board also thanks Mr. Shravan Kumar, Chairman, for his continued support and guidance in the growth of the Company.

#### CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE

As required by the companies (Disclosure of Particulars with report of Board of Directors) Rules, 1988, the relevant data is enclosed as annexure forming part of this report.

#### ACKNOWLEDGEMENTS :

Your Directors wish to place on record their gratitude to the Bankers, The Dhanalakshmi Bank Limited and Vijaya Bank for their co-operation and assistance.

Your Directors also wish to place on record their appreciation for the whole hearted support extended by the Share Holders.

On behalf of the Board  
Sd/-

**SUCHIT MOHAN LAL**  
Managing Director  
Place : Hyderabad.



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Particulars required under Section 217 (1)(e) read with the Company's (Disclosure of particulars in the report of the Board of Directors) Rules 1988.

### A. CONSERVATION OF ENERGY :

The Company is not a major user of power. The Directors believe that the Company is efficiently utilising the available energy. No additional equipment is required at this juncture for reduction of energy.

#### FORM A :

Form for disclosure of particulars with respect to conservation of energy.

##### 1) Electricity :

Total amount	Rs. 53.807
Average per Unit	: N.A
2) Coal	: NIL
3) Fuel	: NIL
4) Other Internal Generation	: NIL

### B. Consumption per unit of Production :

Since the company's consumption is minimal it is not felt necessary to a portion the utilities at this stage.

### C. TECHNOLOGY ABSORPTION :

1. Specified Areas Which R&D was carried out : N.A
2. Benefits derived as a result of the above R&D : N.A
3. Future Plan of Action : The Company proposes to provide in house R&D facility in near future.

### 4. Expenditure in R&D:

- a) Capital : N.A
- b) Recurring : N.A
- c) Total : N.A
- d) Total R&D Expenditure as a % of total Turnover : N.A

### TECHNOLOGY ABSORPTION, ADOPTATION & INNOVATION :

- 1) Efforts in brief made towards technology and innovation : NIL
- 2) Benefits derived as a result of the above efforts : N.A
- 3) In case of imported Technology (Imported during the last 5 Years reckoned from the beginning of the Financial year.) Following information may be furnished.
  - a) Technology Imported : N.A
  - b) Year of Import : N.A
  - c) How the Technology has been fully absorbed : N.A
  - d) If not absorbed areas where these has not taken place reason thereof. future plan of action : N.A

### FOREIGN EARNING AND OUTGO :

The Company has neither earned any Foreign exchange nor had any Foreign exchange outgo during the year.



## Formulating a Bright Future

### AUDITORS' REPORT

To  
The Share holders of  
M/S. COMBAT DRUGS LIMITED  
HYDERABAD.

We have audited the attached Balance Sheet of M/s. Combat Drugs Limited, Hyderabad as at 31st March 1998, and the Profit and Loss for the year ended on that date.

1) As required by the manufacturing and other Companies (Auditors Report ordered, 1988). We report that, in our opinion, and to the best of knowledge and belief, and as per the information and explanations furnished to us, and the books and records examined by us in the normal course of Audit.

1. The Companies is in the process of updating fixed assets register to show full particulars including quantitative details and situation of fixed assets. The Fixed Assets have been physically verified by the management and no material discrepancies have been noticed on such verifications.
2. The fixed assets have not been revalued.
3. According to the information given to us physical verification has been conducted by the management at reasonable intervals in respect of finished goods, stores and raw materials.
4. The procedure of Physical verification of stocks followed by the management are reasonable and adequate in relation to the size of the company and nature of its business.
5. On Physical verification of stocks no material discrepancies have been noticed as compared to book records.
6. In our opinion and on the basis of our examination, the valuation of stocks is fair and proper and is in accordance with the normally accepted accounting principles and is on the same basis as in the preceding year.
7. The Company has not taken any loans from the companies, Firms or other parties listed in the register maintained under Section 301 of the Companies Act 1956. We have been informed that there are no

companies under the same management within the meaning of Section 370 (IB) of the Companies Act 1956.

8. The Company has not granted any loans, secured or unsecured to the Companies, Firms, or other parties listed in the register maintained under Section 301 of the Companies Act, 1956.
9. In respect of loans and advances in the nature of loans given by the Company, the parties are repaying the principal amount as stipulated and are also regular in the payment of interest wherever applicable.
10. There are adequate internal control procedures commensurate with the size of the Company and the nature of its business for the purchase of stores, Raw materials, including components, Plant & Machinery, equipment and other assets and for the sale of goods.
11. According to the information and explanation given to us there were no purchase of goods and sale of goods, Materials and Services, aggregating during the period to more than Rs.50,000 in value, in purchase of contracts and arrangements entered into with the parties entered in the register maintained under Section 301 of the Companies Act, 1956.
12. The Company has a procedure for determining unserviceable or damaged stores, Raw materials and finished goods. However according to the information and explanation given to us the Company did not have any unserviceable or damaged stores, Raw materials and Finished goods, during the period under review.
13. According to the information and explanation given to us, the Company has not accepted any deposits as contemplated in the provision Section 58A of the Companies Act, 1956.
14. According to the information and explanation given to us the Company did not have any realizable by product and scrap.
15. According to the information and explanation given to us the Company is in the process of installing a system of internal audited commensurate with size of nature of its business.