

<sup>th</sup>  
**19 Annual Report 1999-2000**

Report  junction.com



**D E N I S**  
**C H E M L A B L I M I T E D**

***DENIS CHEM LAB LIMITED***

Report  junction.com

**CONTENTS**

|   | Page No. |
|---|----------|
| Notice of Annual General Meeting                        | 2        |
| Directors' Report                                       | 3        |
| Auditors' Report  | 8        |
| Balance Sheet   | 11       |
| Profit and Loss Account                                 | 13       |
| Schedules to Accounts                                   | 14-22    |
| Statement pursuant to section 212 of the Companies Act. | 25       |
| Denis Finance Limited (Subsidiary Company)              | 26-40    |
| Attendance Slip & Form of Proxy                         | 42       |

# DENIS CHEM LAB LIMITED

## 19th Annual Report 1999-2000

**Board of Directors :** SHRI DINESH B. PATEL, (Chairman)  
DR. HIMANSHU C. PATEL (Managing Director)  
DR. TRIBHUVANBHAI N. PATEL  
SHRI PRIYAVADAN C. Randeria  
SHRI CHINUBHAI N. MUNSHAW  
SHRI RAJAN R. HARIVALLABHADAS  
SHRI PAUL SCHOEMAKER  
SHRI LAXMIRAJ M. RATHOD (Alternate Director)  
SMT. ANAR H. PATEL

**Company Secretary :** SHRI M.S. PATEL

**Bankers :** BANK OF BARODA  
Kalol (N.G.) 382 721

**Auditors :** SHAH & SHAH ASSOCIATES,  
Chartered Accountant  
Ahmedabad

**Registered Office & Factory :** Block No. 457,  
Village : Chhatral  
Taluka : Kalol (N.G.) - 382 729.  
Dist. : Gandhinagar

**DENIS CHEM LAB LIMITED**

**NOTICE**

**NOTICE** is hereby given that the **NINETEENTH** Annual General Meeting of the members of **DENIS CHEM LAB LIMITED** will be held at the Registered Office of the Company situated at Block No 457, Village : Chhatral, Tal.: Kalol (N.G), Dist.: Gandhinagar - 382 729 on Friday the 8th September, 2000 at 10.00 a.m to transact the following business :

**ORDINARY BUSINESS :**

1. To receive, consider and adopt the Audited Profit and Loss Account for the year ended 31st March, 2000, the Balance Sheet as at that date and the Report of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Smt. Anar H. Patel, who retires by rotation and being eligible, offers herself for re-appointment.
3. To appoint a Director in place of Shri R. R. Harivallabhadas, who retires 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 and to fix their remuneration.

**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 AT THE MEETING AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY.**
2. The Company has transferred the Unclaimed Dividend to the General Revenue Account of the Central Government for and upto the financial year 1994-95. Concerned shareholders are being informed about the particulars of such transfer.
3. Members holding more than one share certificates to the same name under different ledger folios are requested to apply for consolidation of such folios and send relevant share certificates.
4. Members are requested to notify change in address, if any, immediately to the Company at its Registered Office quoting their Folio Numbers.
5. Members are requested to bring their copies of the Annual Report along with them to the Annual General Meeting

Registered Office :  
Block No. 457,  
Village : Chhatral,  
Tal. : Kalol (N.G.)  
Dist.: Gandhinagar - 382 729

Date : 30th June, 2000

By Order of the Board  
For **DENIS CHEM LAB LTD.**

(M.S. PATEL)  
Company Secretary

**DENIS CHEM LAB LIMITED****DIRECTORS' REPORT**

To

Dear Shareholders,

Your Directors have pleasure in presenting before you the 19th Annual Report and the Audited Accounts for the year ended 31st March, 2000.

**FINANCIAL RESULTS :***(Rs. in lacs)*

|  | <b>For the<br/>year<br/>1999-00</b> | <b>Previous<br/>period<br/>1998-99</b> |
|--|-------------------------------------|--|
| <b>PROFIT BEFORE INTEREST, DEPRECIATION &amp; TAX</b>  | 91.26                               | 76.91                                  |
| Less : Interest  | 34.28                               | 30.41                                  |
| <b>PROFIT BEFORE DEPRECIATION</b>                      | 56.98                               | 46.50                                  |
| Less : Depreciation for the year                       | 26.28                               | 22.28                                  |
| <b>PROFIT BEFORE TAX</b>                               | 30.70                               | 24.22                                  |
| Less : Provision for Taxation                          | 03.50                               | 03.30                                  |
| <b>PROFIT AFTER TAX</b>                                | 27.20                               | 20.92                                  |
| Add : Provision of dividend & tax thereon written back | --                                  | 07.42                                  |
| Less : Deferred Revenue Expense written off            | --                                  | 23.75                                  |
| <b>NET PROFIT AFTER ADJUSTMENT</b>                     | 27.20                               | 04.59                                  |
| Balance brought forward from previous year.            | 36.63                               | 32.04                                  |
| <b>SURPLUS AVAILABLE FOR APPROPRIATIONS.</b>           | <u>63.83</u>                        | <u>36.63</u>                           |
| <b>APPROPRIATIONS :</b>                                |                                     |  |
| (1) Investment Allowance Reserve                       | --                                  | --                                     |
| (2) Proposed Dividend                                  | 08.99                               | --                                     |
| (3) Provision for Dividend Tax                         | 00.99                               | --                                     |
| (4) General Reserve                                    | --                                  | --                                     |
| (5) Balance Carried to Balance Sheet                   | 53.85                               | 36.63                                  |
| <b>TOTAL :</b>   | <u>63.83</u>                        | <u>36.63</u>                           |

**DENIS CHEM LAB LIMITED****DIVIDEND :**

The profit and margins for the year ended 31st March, 2000 has improved over last year. The net profit before tax for the period is Rs. 30.70 lacs which is higher than last year by about Rs. 06.50 lacs, this is 27% higher than last year. In view of the improved result, your Directors are pleased to confirm the interim dividend of 8% to be the final dividend for the current year.

**REVIEW OF OPERATIONS :**

During the period 1999-00, the company has achieved an increased sales turnover, including job work totaling to Rs. 1040.47 lacs that is 10% higher than the comparable figure for the same period of last year. The Company has utilized its production capacity to the maximum possible extent. The gross profit, i.e. profit before interest and depreciation for the noted period was Rs. 91.26 lacs and is higher by 19% over last year. The Company has already increased its product range during the period 1999-00 and is in the process of introducing additional new products also during the current year so as to further increase its sales turnover and improve its profitability.

**FUTURE PLAN :**

The company has entered into a marketing arrangement with a reputed multinational organization for marketing its range of Surgical products in many states of India. The initial response for the products has been satisfactory and acceptance for these products is on the increase. The Company hopes to have increased sales for these products during 2000-2001.

The company is also exploring various avenues for entering into similar marketing arrangements with other reputed foreign Pharmaceutical and Healthcare Companies in near future and all such opportunities will be exploited for eventually manufacturing of new products in its existing plant possibly with minor modifications, if required.

**DIRECTORS :**

Smt. Anar H. Patel and Shri R. R. Harivallabhdas, retires from the Board by rotation in accordance with Article 60 of the Articles of Association of the Company, and being eligible offers themselves for re-appointment.

**FIXED DEPOSITS :**

As at the end of financial year under review, no fixed deposits due for repayment, were remained unclaimed by the deposit holders.

**INSURANCE :**

All the properties of the Company and insurable interest are adequately insured against the risks of fire, riot, strike, malicious damage etc. as per the consistent policy of the Company.

**PERSONNEL :**

As required by the provisions of Section 217(2A) of the Companies Act, 1956 read with companies

**DENIS CHEM LAB LIMITED**

(Particulars of Employees) rules, 1975 as amended, the names and other particulars of the employees are set out in Annexure to the Director's report.

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO :**

The Particulars as required under the Companies (Disclosure of particulars in the report of the Board of Directors) Rules, 1988 are given in the Annexure attached to the Report.

**AUDITORS :**

M/s.Shah & Shah Associates, the Auditors of the Company will retire at the ensuing Annual General Meeting but as they are eligible for re-appointment, your Directors recommend their re-appointment as Auditors of the Company for the year 2000-2001 at such remuneration as may be fixed by the shareholders.

**INDUSTRIAL RELATIONS :**

Your Directors are happy to report that Industrial relations remained satisfactory during the year under review.

**ACKNOWLEDGEMENT :**

Your Directors wish to place on record their appreciation for the devoted services of the workmen, staff, officers and executives for sustaining the operations of the Company during year under review.

Your Directors also acknowledge with gratitude the Co-operation, assistance and support to the Company given by bankers and financial institutions during the year. Your Directors also express their thanks to Company's stockists, retailers and other customers for their continued patronage and to the shareholders for their confidence reposed in the Company.

Place : Ahmedabad

Date : 30.06.2000

For and on behalf of the Board

**DINESH B. PATEL**

Chairman

**DENIS CHEM LAB LIMITED****ANNEXURE TO THE DIRECTORS' REPORT**

Particulars required to be reported as per Companies (Disclosure of particulars in the report of Board of Directors) Rules, 1988.

**(A). CONSERVATION OF ENERGY :****(a). ENERGY CONSERVATION MEASURES TAKEN :**

The Company has installed Multi Column Distillation Still which was fully operated during the year. This has enabled the Company to reduce the consumption of steam substantially. This will lead to utilisation of boiler generated energy for more efficient uses.

**(b). ADDITIONAL INVESTMENT AND PROPOSALS FOR REDUCTION OF CONSUMPTION OF ENERGY :**

The Company has installed Ignifluid Bed Boiler and D. G. Set and this has helped in using energy efficiently and at a lower cost. Explorations in new areas for reduction in energy consumption have been taken up wherever possible.

**(c). IMPACT OF THE ABOVE MEASURES :**

The measures taken above will help in considerable saving in cost per unit of energy generated and reduction in requirement of steam consumption.

**(d). TOTAL ENERGY CONSUMPTION AND ENERGY CONSUMPTION PER UNIT OF PRODUCTION :**

Details of total energy consumption and energy consumption per unit of production as per FORM - A prescribed in the rules is as under.

**(1). Power & Fuel Consumption :**

|                             | 1999-00   | 1998-99   |
|-----------------------------|-----------|-----------|
| (i). Electricity :          |           |           |
| (a) Purchased Unit (KWH)    | 4,50,426  | 5,49,694  |
| Total Amount (Rupees)       | 20,83,048 | 23,28,271 |
| Rate/Unit (Rs.in per kwh)   | 4.62      | 4.24      |
| (b) Own Generation          |           |           |
| Through Diesel Generation   |           |           |
| Unit(KWH)                   | 91,770    | 12,863    |
| Total Litres                | 32,200    | 3,486     |
| Units per Ltr.of Diesel Oil | 2.85      | 3.69      |
| Cost/Unit (Rs.)             | 5.42      | 3.02      |
| (ii). Furnace / Diesel Oil  |           |           |
| Qty.(K.Ltrs.)               | 3,26,663  | 3,32,640  |
| Total Amount (Rupees)       | 35,57,658 | 22,41,708 |
| Avg.Rate (in Rs.per Litre)  | 10.89     | 6.74      |



**DENIS CHEM LAB LIMITED****(2). Consumption per unit of Production :**

|                                    | Standard Unit | 1999-00 | 1998-99 |
|------------------------------------|---------------|---------|---------|
| (i). Electricity (in Units)        |               |         |         |
| I.V. Solution                      | Bottle        | 0.10    | 0.09    |
| Bulk Drugs                         | Kgs           | 0.44    | 0.43    |
| (ii). Furnace/Diesel Oil (in ltrs) |               |         |         |
| I.V. Solution                      | Bottle        | 0.07    | 0.12    |
| Bulk Drugs                         | Kgs           | 1.40    | 1.68    |

**(B). TECHNOLOGY ABSORPTION :**

Efforts made in Research and Development and Technology Absorption as per FORM - B prescribed in the Rules is as under.

**(i). Research & Development (R&D)**

- (a). Specific areas in which R&D carried out by the Company. : New product development and improvement in Quality.
- (b). Benefits derived as a result of the above R&D : Increase in the range of products and its volume of contribution in increased sales turnover
- (c). Future plan of action : To maintain improved quality of products through quality control.
- (d). Expenditure on R&D : Marginal

- (ii). Technology absorption, adoption and innovation. : The Company does not envisage any technology absorption.

**(C). FOREIGN EXCHANGE EARNINGS AND OUTGO** : F. O. B Value : Rs. 01.13 lacs of Export  
Import value : Rs. 18.59 lacs. of C.I.F.

**(D). STATEMENT OF PARTICULARS OF EMPLOYEES AS REQUIRED UNDER SECTION 217 (2A) OF THE COMPANIES ACT, 1956.**

(a) Employed throughout the Accounting year under review and were in receipt of remuneration for the Accounting year in aggregate of not less than Rs. 6,00,000/-

| Sr. No. | Name of the Employee | Designation and nature of duties                           | Gross Remuneration | Qualification Experience (Years) |
|---------|----------------------|--|--------------------|----------------------------------|
| 01.     | Dr. H. C. Patel      | Managing Director<br>Management of affairs of the Company. | 6,00,000/-         | B.E., M.S. Ph. D.<br>(16)        |

Place : Ahmedabad  
Date : 30.06.2000

For and on behalf of the Board  
**DINESH B. PATEL**  
Chairman

**DENIS CHEM LAB LIMITED****AUDITORS' REPORT**

To,  
The Members of  
**DENIS CHEM LAB LIMITED**

We have audited the attached Balance Sheet of **M/S. DENIS CHEM LAB LIMITED** as at 31st March, 2000 and also the annexed Profit & Loss Account of the Company for the year ended on that date and report that:

1. 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.
2. In our opinion, proper books of accounts as required by law have been kept by the Company, so far as appears from our examination of the books.
3. The Balance Sheet and Profit & Loss Account dealt with by this report are in agreement with the books of account.
4. In our opinion the said Profit & Loss Account and Balance Sheet comply with the accounting standards as referred to in Sub section (3C) of Section 211 of the Companies Act, 1956, as applicable.
5. In our opinion and to the best of our information and according to the explanations given to us, the accounts read with and subject to notes thereon forming Part of accounts in Schedule 17 and in particular;

(a) Note No.5 regarding non-provision of gratuity of Rs.15,43,161/-

give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view;

(i) in the case of Balance Sheet, of the state of affairs of the company as at 31st March, 2000.

a n d

(ii) in the case of Profit & Loss Account, of the Profit for the year ended on that date.

As required by the Manufacturing and Other Companies (Auditors' Report) Order, 1988 issued by the Central Government and on the basis of such checks as we considered appropriate and as per the information and explanations given to us, we further state that:

1. The Company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets. The fixed assets have been physically verified during the year by the management and no discrepancy was noticed between book records and physical inventory.
2. None of the fixed assets of the company has been revalued during the year.
3. Physical verification of stocks of raw materials, stores, spare-parts and finished goods has been conducted by the management at reasonable intervals during the year.
4. In our opinion and according to the information and explanations given to us, the procedures of physical