

ANNUAL REPORT
2000-2001

Report  junction.com



DENIS CHEM
LAB LIMITED

CONTENTS

	Page No.
Notice of Annual General Meeting	02
Directors' Report	03 to 05
Auditors' Report	08 to 09
Balance Sheet	10
Profit and Loss Account	11
Schedule to Accounts	12 to 19
Statement pursuant to Section 212 of the Companies Act.	22
Denis Finance Limited (Subsidiary Company)	23 to 35

**ANNUAL REPORT 2000-2001**

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

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
District: Gandhinagar

DENIS CHEM LAB LIMITED**NOTICE**

NOTICE is hereby given that the **TWENTIETH** 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 Wednesday the 26th September, 2001 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, 2001, the Balance Sheet as at that date and the Report of the Board of Directors and Auditors thereon.
2. To declare dividend on equity shares, if any.
3. To appoint a Director in place of Dr. T.N. Patel, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Shri Paul Schoemaker (Alternate Director Shri L.M. Rathod), who retires by rotation and being eligible, offers himself for re-appointment.
5. 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 Register of Members and Share Transfer Books of the Company will remain closed from 17th September, 2001 to 26th September, 2001 (both days inclusive).
3. The Dividend on shares as recommended by the Directors for the financial year ended 31st March, 2001, if declared, at the meeting will be made payable at all branches of Bank of Baroda, from 25th October, 2001 by Dividend Warrants for a period of three months during banking hours to those members whose name appears on the Register of Members on 26th September, 2001.
4. 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.
5. Members holding more than one share certificates to the same name under different ledger folio are requested to apply for consolidation of such folio and send relevant share certificates.
6. Members are requested to notify change in address, if any, immediately to the Company at its Registered Office quoting their Folio Numbers.
7. Members are requested to bring their copies of the Annual Report alongwith them to the Annual General Meeting

Registered Office :
Block No. 457,
Village : Chhatral,
Tal. : Kalol (N.G.)
Dist.: Gandhinagar - 382 729
Date : 30th June, 2001

By Order of the Board
For **DENIS CHEM LAB LIMITED**

(**M. S. PATEL**)
Company Secretary

**ANNUAL REPORT 2000-2001****DIRECTOR'S REPORT**

To

Dear Shareholders,

Your Directors have pleasure in presenting before you the 20th Annual Report and the Audited Accounts for the year ended 31st March, 2001.

FINANCIAL RESULTS :

(Rs. in lacs)

	<i>For the year 2000-01</i>	<i>Previous year 1999-00</i>
PROFIT BEFORE INTEREST AND DEPRECIATION & TAX	84.10	91.26
Less : Interest	<u>31.51</u>	<u>34.28</u>
PROFIT BEFORE DEPRECIATION	52.59	56.98
Less : Depreciation for the year	<u>30.07</u>	<u>26.28</u>
PROFIT BEFORE TAX	22.52	30.70
Less : Provision for Taxation	<u>05.50</u>	<u>03.50</u>
PROFIT AFTER TAX	17.02	27.20

Balance brought forward from previous year.

53.84

36.63

SURPLUS AVAILABLE FOR APPROPRIATIONS.70.8663.83**APPROPRIATION :**

(1). Proposed Dividend	08.99	08.99
(2). Provision for Dividend Tax	00.92	00.99
(3). General Reserve	-	-
(4). Balance Carried to Balance Sheet	<u>60.95</u>	<u>53.85</u>
TOTAL :	<u>70.86</u>	<u>63.83</u>

DENIS CHEM LAB LIMITED**DIVIDEND :**

The Gross Profit for the year ended 31st March, 2001 is lower by 8% over last year. The net profit before tax for the noted period is Rs. 22.52 lacs as compared with Rs. 30.70. The surplus available for appropriation is Rs.70.87 lacs which is higher than Rs.63.83 lacs of previous period. In view of this, your Directors are pleased to recommend a dividend of Rs. 0.80 per equity share which is the same as the previous year subject to statutory approvals as may be required. The total dividend outgo will be thus be about Rs. 9.00 lacs.

REVIEW OF OPERATIONS :

During the period 2000-01, the company has achieved an increased sales turnover, including job work totaling to Rs.1082.60 lacs that is 8% higher than the comparable figure for the same period of last year. The company has increased its production for the noted period by 15.50%. The gross profit, i.e. profit before interest and depreciation for the noted period was Rs. 84.10 lacs. The Company has increased its product range during the period 2000-01 and planned new products introduction during the current year so as to increase its sales turnover.

FUTURE PLAN :

The Company has consolidated its sales for the range of imported Surgical products from Sweden in many states of India. The 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 2001-2002. The Company is planning to modernize and enhance its production capacity so as to meet the growing demands of its products as well as to accomodate the increasing business of its contract manufacturing for the various reputed Pharmaceutical Companies.

DIRECTORS' RESPONSIBILITY STATEMENT :

Pursuant to Section 217(2AA) of the Companies Act, the Directors' confirm that;

- (a). in the preparation of the annual accounts, the applicable accounting standards have been followed;
- (b). appropriate accounting policies have been selected and applied consistently and judgements and estimates made 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 year ended 31st March, 2001 and the profit and loss account for the year ended 31st March, 2001.
- (c). proper and sufficient care has been taken for the maintenance of adequate accounting record in accordance with provisions of the Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d). the annual accounts have been prepared on a going concern basis.

DIRECTORATE :

Dr. T.N. Patel and Shri Paul Schoemaker (Alternate Director Shri L.M. Rathod), retire from the Board by rotation in accordance with Article 60 of the Articles of Association of the Company, and being eligible offer themselves for re-appointment.

FIXED DEPOSITS :

As at the end of financial year under review, no fixed deposits were due for repayment, none remained unclaimed by the deposit holders.

**ANNUAL REPORT 2000-2001****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.

LISTING ON STOCK EXCHANGES :

The Company is listed on the Stock Exchange, Ahmedabad. The annual listing fees have been paid and there is no outstanding payment towards the Exchanges, as on date.

PERSONNEL :

As required by the provisions of Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975, as amended, the names and other particulars of the employees are set out in the Annexure to the Directors' Report.

GUJARAT EARTHQUAKE :

On January 26, 2001 a massive earthquake hit Kutch, Gujarat & caused extensive damage & loss of lives & property.

The Company has immediately mobilized various I.V. Fluids & supplied them free of cost to various hospitals & relief agencies to help them in their hour of need.

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 2001-2002 at such remuneration as may be fixed by the shareholders.

INDUSTRIAL RELATIONS :

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

ACKNOWLEDGEMENT :

Your Directors wish to place on record their appreciation for the services of the 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 : 30th June, 2001

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 :		2000-01	1999-00
(i). Electricity :			
(a). Purchased Unit (KWH)		5,16,856	4,50,426
Total Amount (Rupees)		25,64,089	20,83,048
Rate/Unit (Rs.in per kwh)		4.96	4.62
(b). Own Generation			
Through Diesel Generation			
Unit(KWH)		98,498	91,770
Total Litres		28,725	32,200
Units per Ltr.of Diesel Oil		3.43	2.85
Cost/Unit (Rs.)		5.17	5.42
(ii). Furnace / Diesel Oil			
Qty.(K.Ltrs.)		2,91,655	3,26,663
Total Amount (Rupees)		37,20,085	35,57,658
Avg.Rate (in Rs.per Litre)		12.76	10.89

**ANNUAL REPORT 2000-2001****(2). Consumption per unit of Production :**

	Standard Unit	2000-01	1999-01
(i). Electricity (in Units)			
I.V. Solution	Bottle	00.09	00.10
Bulk Drugs	Kgs	00.43	00.44
(ii). Furnace/Diesel Oil (in ltrs)			
I.V. Solution	Bottle	00.08	0.07
Bulk Drugs	Kgs	01.35	1.40

(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. NIL lacs. of Export
Import value :Rs.22.94 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 of the Employee	Name	Designation and nature of duties	Gross Remuneration (Rs.)	Qualification Experience (Years)	Date of Commencement of employment	Age (Year)	Last Employment
01.	Dr. H. C. Patel	Managing Director Management of affairs of the Company.	6,00,000/-	B.E., M.S. Ph. D. (16)	1984	47	

Place : Ahmedabad
Date : 30th June, 2001

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, 2001 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 purpose 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 except what is stated in para 6(a) and (b) below.
5. Based on representation made by the directors of the company and as per information and explanation given to us, none of the directors of the company are, prima facie, as at 31st March, 2001, disqualified from being appointed as directors of the company in terms of clause (g) of Sub-Section (1) of Section 274 of the Companies Act, 1956.
6. In our opinion and to the best of our information and according to the explanation given to us, the account read with and subject to notes thereon forming Part of accounts in Schedule 17 and in particular;
 - a. Note No.6 : regarding non-provision of gratuity of Rs.16,73,320/-
 - b. Note No.12 : regarding accounting for leave encashment as and when claimed by the employees.
 - c. Note No.7 : regarding confirmation of balances.
 - d. Note No.9 : regarding non-provision for diminution in the value of investments;
 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, 2001.
 - (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 (Auditor's 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. As explained to us, major part of the fixed assets other than laboratory equipment and Furniture and Fixtures including data processing equipments have been physically verified during the year by the management and no discrepancy was noticed between book record 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, finished goods and traded 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 verification of the stocks followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
5. Discrepancies noticed on physical verification of stocks as compared to book records were not material and the same have been properly dealt with in the books of account.
6. In our opinion, valuation of stocks is fair and proper in accordance with the normally accepted accounting principles and is on the same basis as in the preceding year.