

19th
Annual
Report
2001 - 02

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HARLEYSTREET PHARMACEUTICALS LIMITED

29/3, Phase III, G.I.D.C. Industrial Estate,
Naroda, Ahmedabad - 382 330.

HARLEYSTREET PHARMACEUTICALS LIMITED

BOARD OF DIRECTORS : Mr. Umesh S. Parikh Managing Director
Mr. Pragna J. Dani Director
Mr. Kaushik S. Chaturvedi Director
Mr. Prashant P. Godha Director

AUDITORS : M/s. Shah & Shah Associates,
Chartered Accountants,
Ahmedabad.

REGISTERED OFFICE : 29/3, Phase III, GIDC Industrial Estate,
Naroda, Ahmedabad - 382 330.
Gujarat.

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NOTICE TO THE SHAREHOLDERS

NOTICE is hereby given that the NINETEENTH ANNUAL GENERAL MEETING of the Members of **HARLEYSTREET PHARMACEUTICALS LIMITED** will be held on Friday, 27th day of September, 2002 at 10.00 a.m. at the Registered Office of the Company situated at 29/3, Phase III, GIDC Industrial Estate, Naroda, Ahmedabad 382 330 to transact the following business :

ORDINARY BUSINESS:

1. To receive and adopt the Account and the Reports of the Directors and Auditors for the year ended 31st March, 2002.
2. To appoint a Director in place of Ms Pragna J Dani, who retires by rotation and being eligible, offers herself for reappointment.
3. To appoint a Director in place of Mr. Umesh S Parikh, who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint Auditors of the Company and to fix their remuneration.

SPECIAL BUSINESS :

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

"RESOLVED THAT Mr. Prashant Godha who was appointed as an Additional Director of the Company by the Board of Directors and holds office upto the date of this Annual General Meeting under section 260 of the Companies Act, 1956 read with Article 85 of the Articles of Association of the Company, but being eligible, offers himself for reappointment and in respect of whom the Company has received a notice in writing under Section 257 of the Companies Act, 1956 from a shareholder signifying his intention to propose Mr. Prashant Godha as a candidate for the office of Director, be and is hereby appointed as a Director of the Company and whose term of office shall be liable to determination by retirement of the Directors by rotation."

By Order of the Board

Ahmedabad
29th June, 2002

Umesh S Parikh
Managing Director

NOTES

- a) A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and a proxy need not be a member of the Company. Proxies in order to be effective must be received at the registered office of the company not less than 48 hours before the commencement of the meeting.
- b) The Register of Members and Share Transfer Books of the Company will remain closed from 16th September, 2002 to 27th September, 2002, both days inclusive.
- c) Members are requested to intimate to the Company changes, if any, in their registered address quoting their Folio Number.
- d) Shareholders seeking any information with regards to accounts are requested to write to the Company latest by 16th September, 2002 so as to enable the management to keep the information ready.
- e) The Explanatory Statement pursuant to Section 173 of the Companies Act, 1956 in respect of the Special Business is annexed hereto.

ANNUAL REPORT 2001 - 2002**EXPLANATORY STATEMENT PURSUANT TO SECTION 173 OF THE COMPANIES ACT, 1956****Item No. 5**

Mr. Prashant Godha was appointed as an Additional Director of the Company by the Board of Directors pursuant to Section 260 of the Companies Act, 1956 and Article 85 of the Articles of Association of the Company with effect from 29th June, 2002. He holds office only upto the date of the ensuing Annual General Meeting.

The Company has received a notice in writing from a member under Section 257 of the Companies Act, 1956 signifying his intention to propose Mr. Prashant Godha as a candidate for the office of Director of the Company.

Mr. Godha is a graduate in commerce from University of Mumbai and is also accredited with a Post Graduate Diploma in Business Management from Chetana's Institute, Mumbai. He has over 3 years of experience in pharma industry in the field of General Administration, Sales and Marketing. He is presently employed as Whole-time Director of Makers Laboratories Ltd., a listed public limited company.

The Board recommends his appointment as a Director.

None of the Directors of the Company except Mr Prashant Godha is interested or concerned in passing of this resolution.

By Order of the Board

Ahmedabad
29th June, 2002

Umesh S Parikh
Managing Director



DIRECTORS' REPORT**TO THE MEMBERS**

Your Directors have pleasure in presenting the 19th Annual Report and Audited Accounts for the year ended 31st March, 2002.

FINANCIAL RESULTS

	For the year ended 31.3.2002 (Rs.Lakhs)	For the year ended 31.3.2001 (Rs. Lakhs)
Total Income	137.76	265.84
Total Expenditure	115.41	249.73
Depreciation	8.09	8.34
Profit before tax	14.26	7.77
Provision for taxation- Current	5.60	2.70
- Deferred	(0.72)	-
Excess provision for earlier period written back (net)	0.53	-
Net Profit	9.91	5.07

ADJUSTMENTS

Balance of Loss brought forward	(30.26)	(35.33)
Provision of deferred taxation of earlier years	(8.59)	-
Balance of Loss carried to Balance Sheet	(28.94)	(30.26)

REVIEW OF OPERATIONS

The Company has achieved total income of Rs.137.76 lacs during the year as against the total income of Rs. 265.84 lacs during the previous year. The operations have resulted in a net profit of Rs. 9.91 lacs as against Rs.5.07 lacs in the previous year.

Most of the income earned by your Company during the year under report is from manufacturing activities carried out for other pharmaceutical companies on loan license basis.

COMPLIANCE CERTIFICATE

A compliance certificate under Section 383A of the Companies Act, 1956, received from the Secretary in whole time practice is annexed herewith.

DIVIDEND

In view of accumulated losses, the Board does not recommend any dividend.

DEPOSITS

The Company has not accepted any fixed deposits during the year which attracts the provisions of Section 58(A) of the Companies Act, 1956.

PERSONNEL

None of the employee is drawing salary stated in the limits specified under Section 217 (2A) of the Companies Act, 1956, read with Companies (Particulars of Employees) Rules, 1975.

Place : Ahmedabad
Date : 29th June, 2002

DIRECTORS

Mr Prashant Godha was appointed as an Additional Director of the Company with effect from 29th June, 2002 and he holds office till the conclusion of the ensuing Annual General Meeting. Being eligible, he has offered himself for appointment as a Director of the Company.

During the year under report, Mr Deval M Thakore and Mr Ashwini Agrawal has resigned as Directors of the Company. The board places on record its appreciation for their contributions during their tenure as a Director.

Ms Pragna J Dani and Mr Umesh S Parikh retire by rotation at the ensuing Annual General Meeting and, being eligible, offer themselves for reappointment.

DIRECTORS' RESPONSIBILITY STATEMENT

Your Directors confirm :

- that in the preparation of the annual accounts, the applicable accounting standards have been followed;
- that the Directors 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 year ended 31st March, 2002 and of the profit of the Company for the year;
- that the Directors had 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;
- that the Directors have prepared the annual accounts on a going concern basis.

AUDITORS AND AUDIT REPORT

M/s Shah & Shah Associates, Chartered Accountants, retire as auditors and, being eligible, offer themselves for reappointment.

The Auditors' Report read with the notes to the accounts referred to therein are self-explanatory and, therefore, do not call for any further comments.

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

In accordance with the requirements of Section 217(1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, statement showing particulars with respect to conservation of energy, technology absorption and foreign exchange earnings and outgo is given in the enclosed Annexure.

ACKNOWLEDGMENTS

Your Directors wish to place on record their appreciation for the support and cooperation extended by all the Employees.

For and on behalf of the Board

Umesh S Parikh
Managing Director

Kaushik S Chaturvedi
Director

ANNEXURE I

Information pursuant to the Companies (Disclosure of particulars in Report of the Board of Directors) Rules, 1988

1. CONSERVATION OF ENERGY

- (i) Energy conservation measures taken :
During the year under review, all possible efforts were made to ensure optimum conservation of electricity and fuel at the plant of the company.
- (ii) Additional investment and proposals being implemented for reduction of energy consumption :
Proposal to introduce improved operational methods, rationalization and better methods of lighting to bring about a saving in power consumption.
- (iii) Impact of the above measures :
As a result of the measures taken for conservation of energy as referred to in (I) above, the power factor has improved to a desirable level.

(iv) A. Power and fuel Consumption:

	Year ended 2001-2002	Year ended 2000-2001
a) Electricity :		
(i) Purchased :		
Units (KWH)	1,66,962	1,58,538
Total Amount (Rs. in lacs)	8.87	7.43
Rate / Unit (Rs.)	5.31	4.69
(ii) Own Generation :		
Through Diesel generator :		
Units (KWH)	14,300	-
Units per Ltr of Diesel oil (KWH)	2.50	-
Cost of diesel per KWH (Rs.)	7.76	-
b) Others HSD/LSHS/LPG etc		
Quantity (Ltrs)	43,102	50,141
Total Amount (Rs. in lacs)	8.34	8.61

B. Consumption per unit of Production :

Not ascertainable in view of the multiplicity of products & packs.

2. TECHNOLOGY ABSORPTION : Not Applicable

3. FOREIGN EXCHANGE EARNINGS AND OUTGO

- A. Activities relating to exports, initiatives taken to increase exports, development of new exports markets for products and services and export plans :

The Company does not have any export business.

- B. Total foreign exchange used and earned : NIL

For and on behalf of the Board

Place : Ahmedabad
Date : 29th June, 2002

Umesh S Parikh
Managing Director

Kaushik S Chaturvedi
Director

COMPLIANCE CERTIFICATE

Reg. No. : 04-6078
 Nominal Capital : Rs. 1,50,00,000/-

To,
 The Members,
 HARLEYSTREET PHARMACEUTICALS LIMITED
 Ahmedabad.

I/We have examined the registers, records, books and papers of M/s. HARLEYSTREET PHARMACEUTICALS LIMITED as required to be maintained under the Companies Act, 1956, (the Act) and the rules made thereunder and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31st March, 2002. In my/our opinion and to the best of my/our information and according to the examinations carried out by me/us and explanations furnished to me/us by the company, its officers and agents, I/We certify that in respect of the aforesaid financial year :

1. the company has kept and maintained all registers as stated in Annexure "A" to this certificate, as per the provisions and the rules made thereunder and all entries therein have been duly recorded.
2. the company has duly filed the forms and returns as stated in Annexure "B" to this certificate, with the Registrar of Companies, Regional Director, Central Government, Company Law Board or other authorities within the time prescribed under the Act and the rules made thereunder.
3. the Company being public limited company has the minimum prescribed paid-up capital.
4. the Board of Directors duly met 7 times on 25/04/01, 28/06/01, 31/07/01, 28/09/01, 31/10/01, 31/01/02 and 31/03/02 in respect of which meetings proper notices were given and the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose. No circular resolution was passed during the year.
5. the company has closed its register of members during the financial year 31st March, 2002 from 21st September, 2001 to 28th September, 2001 and necessary compliance of Section 154 of the act has not been made.
6. the annual general meeting for the financial year ended on 31/03/01 was held on 28/09/01 after giving due notice to the members of the company and the resolutions passed there at were duly recorded in Minutes Book maintained for the purpose.
7. No extra ordinary general meeting was held during the financial year.
8. The company has not advanced any loans to its directors or persons or firms or companies referred to u/s. 295 of the Act.
9. the company has not entered into any contract falling within the purview of section 297 of the Act.
10. the company has made necessary entries in the register maintained under section 301 of the Act.
11. The company has obtained approval u/s. 314(1) for the remuneration payable to Shri Sahil U. Parikh in the Annual General Meeting held on 28th September, 2001.
12. the company has not issued any duplicate share certificates during the financial year.
13. the Company :
 - i) has delivered all the certificates on lodgement thereof for transfer / transmission or any other purpose in accordance with provision of the act.
 - ii) has not deposited any amount of dividend in a separate Bank Account as no dividend was declared during the financial year.
 - iii) was not required to post warrants to any members of the company as no dividend was declared during the financial year.
 - iv) was no required to transfer any amounts to investor, education and protection fund during the Financial Year being unpaid dividend account, application money due for refund, matured deposits which have remained unclaimed or unpaid for a period of 7 years.
 - v) has complied with the requirements of section 217 of the Act.
14. the Board of Directors of the company is duly constituted. There was no appointment of additional directors, alternate directors and directors to fill casual vacancies during the financial year.
15. The appointment of Managing Director has been made in compliance with the provisions of the Act.
16. the company has not appointed any sole-selling agents during the financial year.
17. the company was not required to obtain necessary approvals of the Central Government, Company Law Board, Regional Director, Registrar or such other authorities as may be prescribed under the various provisions of the Act.
18. the directors have disclosed their interest in other firms/companies to the Board of Directors pursuant to the provisions of the Act and the rules made thereunder.
19. the company has not issued any shares/ debentures/other securities during the financial year.
20. the company has not bought back any shares during the financial year ending 31st March, 2002.
21. the company has not issued any preference shares/ debentures during the year and therefore, redemption of the same does not arise.
22. there were no transactions necessitating the company to keep in abeyance rights to dividend, rights shares and bonus shares pending registration of transfer of shares.
23. the company has not accepted/invited any deposits falling within the purview of section 58A during the financial year.

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24. the company has not made any borrowings during the financial year ended 31st March, 2002.

25. the company has not made loans and investments, or given guarantees or provided securities to other bodies corporate during the financial year.

26. the company has not altered the provisions of the memorandum with respect to situation of the company's registered office from one state to another during the year under scrutiny.

27. the company has not altered the provisions of the memorandum with respect to the objects of the company during the year under scrutiny.

28. the company has not altered the provisions of the memorandum with respect to name of the company during the year under scrutiny.

29. the company has not altered the provisions of memorandum with respect to share capital of the company during the year under scrutiny.

30. the company has not altered its articles of association during the financial year.

31. there were no prosecution initiated against or show cause notices received by the company for alleged offences under the Act and also no fines and penalties or any other punishment imposed on the company during the financial year.

32. the company has not received any money as security from its employees during the financial year.

33. as confirmed by the management, the company has deposited both employee's and employer's contribution to Provident Fund with prescribed authorities pursuant to section 418 of the Act.

ANNEXURE "A"

REGISTERS MAINTAINED BY THE COMPANY

Sr.No.	Particulars	Section
STATUTORY REGISTERS :		
1. Register of members	u/s.	150(1)
2. Minutes of the General Meetings	u/s.	193(1)
3. Minutes of the Board Meetings	u/s.	193(1)
4. Register of Notice by interested Directors	u/s.	299
5. Register of Directors, Managing Directors etc.	u/s.	303(1)
6. Register of Director's Shareholdings	u/s.	307(1)
7. Register of Contracts	u/s.	301(1)

OTHER REGISTERS :

1. Register of Share Transfer
2. Attendance Register of General Meetings
3. Attendance Register of Board Meetings

ANNEXURE "B"

Forms and Returns as filed by the Company with the Registrar of Companies, Regional Director, Central Government or other authorities during the financial year ending on 31st March, 2002. NO. 32 filed u/s. 303 on 29/04/02 with Registrar of Companies.

1. ANNUAL RETURN filed u/s. 159 on 27/11/01 with Registrar of Companies.
2. BALANCE SHEET filed u/s. 210 on 08/10/01 with Registrar of Companies.
3. FORM NO. 32 filed u/s. 303 on 08/10/01 with Registrar of Companies.
4. FORM NO. 23 filed u/s. 192 on 08/10/01 with Registrar of Companies.
5. FORM NO. 23 filed u/s. 192 on 25/10/01 with Registrar of Companies.
6. FORM NO. 25(C) filed u/s. 269 on 25/10/01 with Registrar of Companies.

Place : Ahmedabad
Date : 29.06.2002

SANDIP SHETH
(COMPANY SECRETARY)
C. P. No. 4354