

20<sup>th</sup>  
Annual  
Report  
2002 - 03

**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 TWENTIETH ANNUAL GENERAL MEETING of the Members of HARLEYSTREET PHARMACEUTICALS LIMITED will be held on Friday, 19<sup>th</sup> day of September, 2003 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 31<sup>st</sup> March, 2003.
2. To appoint a Director in place of Mr Kaushik Chaturvedi, who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint a Director in place of Mr Prashant Godha, 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 a Special Resolution:

"RESOLVED THAT in partial modification of Resolution no.7 passed at the Annual General Meeting of the Company held on 28<sup>th</sup> September, 2001 and in accordance with the provisions of Section 314 and all other applicable provisions, if any, of the Companies Act, 1956 the Company hereby accord its approval for holding and continuing to hold the office or place of profit to Mr Saahil U Parikh, son of Mr Umesh S Parikh, Managing Director of the Company w.e.f 1<sup>st</sup> November, 2002 as Plant Manager in the Company on a revised salary of Rs.8400/= per month together with the usual allowances, benefits, amenities and facilities including Provident Fund and other benefits applicable to other employees occupying similar post or posts within the same salary scale or grade with authority to the Director to sanction at their discretion increments within the grade as they may deem fit and proper and to promote Mr Saahil U Parikh to higher grade provided that the total remuneration payable to Mr Saahil U Parikh shall not exceed Rs.20,000/- (Rupees Twenty Thousand only) per month being the limit prescribed by the Central Government under the provisions of Section 314 (1B) of the Companies Act, 1956."

By Order of the Board

Umesh S Parikh  
Managing Director

Mumbai  
30<sup>th</sup> June, 2003

**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 8<sup>th</sup> September, 2003 to 19<sup>th</sup> September 2003, 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 13<sup>th</sup> September, 2003 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.

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**EXPLANATORY STATEMENT PURSUANT TO SECTION 173 OF THE COMPANIES ACT, 1956**

**Item No. 5**

The members of the Company at the Annual General Meeting held on 28<sup>th</sup> September, 2001 had approved the appointment of Mr Saahil U Parikh son of Mr Umesh S Parikh, Managing Director as Business Development Manager on a monthly salary of Rs.5,800/- p.m. with usual benefits/ perquisites.

With effect from 1<sup>st</sup> November 2002, the Company has increased his remuneration from Rs.5,800/- to Rs.8,400/- p.m. together with the usual allowances, benefits, amenities including Provident Fund and other benefits as applicable to other employees occupying similar post. However, the total remuneration including all allowances payable to Mr Saahil U Parikh will be Rs.18,541/- per month or Rs.2,22,493/- per annum.

Section 314 of the Companies Act, 1956, inter-alia, provides that no relative of a Director shall hold office or place of profit in the Company which carries a total monthly remuneration of not less than of Rs.10,000/- except with the consent of the Company by a special resolution.

Mr Saahil Parikh aged 28 years has done his B.Sc. Biochemistry, Diploma in Management Studies, and has been with the Company since 1st July 1996. His knowledge and information in the pharmaceutical industry will be of use to the Company.

The Board recommends the passing of the special resolution contained in item No.5 of the accompanying notice.

Except Mr Umesh S Parikh, who is the father of Mr Saahil Parikh, none of the Directors of the Company may be deemed to be interested or concerned in this resolution.

By Order of the Board

Umesh S Parikh  
Managing Director  
Mumbai  
30<sup>th</sup> June, 2003

**ANNUAL REPORT 2002 - 2003****DIRECTORS' REPORT****TO THE MEMBERS**

Your Directors have pleasure in presenting the 20<sup>th</sup> Annual Report and Audited Accounts for the year ended 31<sup>st</sup> March, 2003.

**FINANCIAL RESULTS**

	For the year ended 31.3.2003 (Rs.Lakhs)	For the year ended 31.3.2002 (Rs. Lakhs)
<b>Total Income</b>	<b>121.01</b>	<b>137.76</b>
Total Expenditure	122.21	115.41
Depreciation	21.47	8.09
<b>Profit / (Loss) before tax</b>	<b>(22.67)</b>	<b>14.26</b>
Provision for taxation		
- Current	-	5.60
- Deferred tax assets/liabilities	(7.94)	(0.72)
(Excess)/short provision of earlier years	(0.88)	(0.53)
<b>Net Profit</b>	<b>(13.85)</b>	<b>9.91</b>

**ADJUSTMENTS**

Balance of Loss brought forward	(28.94)	(30.26)
Provision of deferred taxation of earlier years	-	(8.59)
Balance of Loss carried to Balance Sheet	(42.79)	(28.94)

**REVIEW OF OPERATIONS**

The Company has achieved total income of Rs.121.01 lacs during the year as against the total income of Rs.137.76 lacs during the previous year. The operations have resulted in a net loss of Rs.13.85 lacs as against a net profit of Rs.9.91 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.

**DIRECTORS**

Mr. Kaushik Chaturvedi and Mr Prashant Godha retire by rotation at the ensuing Annual General Meeting and, being eligible, offer themselves for re-appointment.

**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 31<sup>st</sup> March, 2003 and of the loss 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.

Place : Mumbai  
Date : 30<sup>th</sup> June, 2003

For and on behalf of the Board  
Umesh S Parikh                      Prashant Godha  
Managing Director                      Director

**HARLEYSTREET PHARMACEUTICALS LTD.**

**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 2002-2003	Year ended 2001-2002
a) Electricity :		
(i) Purchased :		
Units (KWH)	2,57,830	1,66,962
Total Amount (Rs.in lacs)	13.64	8.87
Rate / Unit (Rs.)	5.29	5.31
(ii) Own Generation :		
Through Diesel generator :		
Units (KWH)	6,225	14,300
Units per Ltr of Diesel oil (KWH)	2.50	2.50
Cost of diesel per KWH (Rs.)	8.54	7.76
b) Others Rs. (In Lacs)		
HSD	6.82	8.34

**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 : Mumbai  
Date : 30<sup>th</sup> June, 2003

Umesh S Parikh  
Managing Director

Prashant Godha  
Director

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## COMPLIANCE CERTIFICATE

Reg. No. : 04-6078  
Paid up Capital : Rs. 95,24,000/-

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, 2003. 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 representatives,

I 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, Gujarat within the time prescribed under the Act and the rules made thereunder. No form or return was required to be filled with regional Director, Central Government, Company Law Board, or other authorities during the financial year under review.
3. The Company being public limited company has the minimum prescribed paid-up capital.
4. The Board of Directors duly met four times on 29th June 2002, 31st July 2002, 31st October 2002, & 31st January 2003, 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.
5. The company has closed its register of members during the financial year ended 31st March 2003 from 16th September 2002 to 27th September 2002 and necessary compliance of Section 154 of the act has not been made.
6. The annual general meeting for the financial year ended on 31st March 2002 was held on 27th September 2002 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 during the year under review.
9. The company has duly complied with the provisions of section 297 of the Act in respect of contract specified in that section during the year under review.
10. The company has made necessary entries in the register maintained under section 301 of the Act.
11. The company has obtained necessary approvals from the Board of Directors and members pursuant to section 314(1) of Act wherever applicable.
12. The company has not issued any duplicate share certificates during the financial year.
13. The Company :
  - a) has delivered all the certificates on lodgement thereof for transfer in accordance with provision of the act. There was no allotment of securities during the year.
  - b) has not declared any dividend during the financial year.
  - c) was not required to post warrants to any members of the company as no dividend was declared during the financial year.
  - d) no amount lying in the Books of Account in respect of unpaid dividend, application money due for refund, matured deposits, matured debentures and the interest accrued thereon.
  - e) duly 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 company has not appointed any managing director / whole-time director / manager during the financial year.
16. The company has not appointed any sole-selling agents during the financial year.
17. As confirmed by the management, the company was not required to obtain any approvals of the Central Government, Company Law Board, Regional Director, Registrar and/or such authorities prescribed under the various provisions of the Act during the year under review.
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 there under.
19. The company has not issued any shares/debentures/ or other securities during the financial year.
20. The company has not bought back any shares during the financial year ending 31st March, 2003.
21. There being no preference shares or debentures hence question of redemption 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.