

**24<sup>th</sup>**  
***Annual***  
***Report***  
**2006 - 07**

**HARLEYSTREET PHARMACEUTICALS LIMITED**

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

Email : [email@harley.co.in](mailto:email@harley.co.in)

# HARLEYSTREET PHARMACEUTICALS LIMITED

**BOARD OF DIRECTORS :** Mr. Umesh S. Parikh ..... Managing Director  
Mr. Saahil U. Parikh ..... Whole-time 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 TWENTY FOURTH ANNUAL GENERAL MEETING of the Members of HARLEYSTREET PHARMACEUTICALS LIMITED will be held on 11<sup>th</sup> September, 2007 at 11:00 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 Accounts and the Report of the Directors and Auditors for the year ended 31<sup>st</sup> March, 2007.
2. To appoint a Director in place of Mr. Kaushik S. Chaturvedi, who retire by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. Prashant P. Godha, who retire by rotation and being eligible, offers himself for re-appointment.
4. To appoint Auditors of the Company and to fix their remuneration.

By Order of the Board

Umesh S Parikh  
Managing Director

Ahmedabad  
30<sup>th</sup> June, 2007

**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 3<sup>rd</sup> September, 2007 to 11<sup>th</sup> September, 2007, 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 1<sup>st</sup> September, 2007 so as to enable the management to keep the information ready

## DIRECTORS' REPORT

### TO THE MEMBERS

Your Directors have pleasure in presenting the 24<sup>th</sup> Annual Report and Audited Accounts for the year ended 31<sup>st</sup> March, 2007.

### FINANCIAL RESULTS

Particulars	For the year ended 31.3.2007 (Rs.Lakhs)	For the year ended 31.3.2006 (Rs. Lakhs)
<b>Total Income</b>	<b>396.22</b>	<b>376.56</b>
Total Expenditure	276.08	255.38
Depreciation	39.00	39.51
<b>Profit / (Loss) before tax</b>	<b>81.14</b>	<b>81.67</b>
Provision for taxation		
- Current	27.50	28.87
- Deferred tax assets/(liabilities)	1.33	(2.60)
- Fringe benefit tax (FBT)	0.45	0.65
- Excess provision for taxation of earlier year	—	(1.96)
<b>Net Profit / (Loss) after tax</b>	<b>51.86</b>	<b>56.71</b>

### ADJUSTMENTS

Balance of Profit / (Loss) brought forward	85.59	28.88
Balance of Profit carried to Balance Sheet	137.45	85.59

### REVIEW OF OPERATION

The company has achieved total income of Rs. 396.22 lacs during the year as against the total income of Rs. 376.56 lacs during the previous year. The operations have resulted in a net profit of Rs. 51.86 lacs after tax for the financial year under report as against a net profit of Rs. 56.71 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.

### FINANCE :

During the year, Company has availed Term Loan of Rs. 80 Lacs from UTI Bank, Mumbai for construction of new building and acquisition of new Plant and Machinery.

The company has repaid old term loan of Rs. 1.50 Crore during the year under report.

### COMPLIANCE CERTIFICATE

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

### DIVIDEND

In order to conserve resources and considering the funds required for repayment of term loan availed for upgradation of manufacturing facility, your directors do not recommend any dividend for the financial year under report.

### 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 S. Chaturvedi and Mr. Prashant P. 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 appropriate accounting policies have been selected and applied consistently and have made judgments 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, 2007 and of the profit of the company for the year.
- that proper and sufficient care has been taken 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 annual accounts have been prepared 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 re-appointment.

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 earning and outgo is given in the enclosed Annexure.

### ACKNOWLEDGEMENTS

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

Place : Ahmedabad

Date : 30<sup>th</sup> June, 2007

For and on behalf of the Board  
 Umesh S. Parikh                      Kaushik S. Chaturvedi  
 Managing Director                  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:**

	2006-2007	2005-2006
a) Electricity :		
a) Electricity:		
(i) Purchased :		
Units (KWH)	6,21,941	5,55,444
Total Amount (Rs. in lacs)	30.57	25.62
Rate / Unit (Rs.)	4.92	4.61
(ii) Own Generation		
Through Diesel generator:		
Units (KWH)	15,652	17,963
Units per Ltr of Diesel oil (KWH)	3.75	2.50
Cost of diesel per KWH (Rs.)	14.16	13.21
b) Others Rs. (In lacs)		
HSD	24.00	20.61
LPG	-	0.16
Oxygen Gas	-	-

**B. Consumption per unit of Production :**

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

**2. TECHNOLOGY ABSORPTION :**

Not Applicable since the Company has not imported any technology since its inception.

**3. FOREIGN EXCHANGE EARNING AND OUTGO**

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

The Company does not have any export business.

B. Total foreign exchange used and earned : NIL

For and on behalf of the Board

Umesh S. Parikh  
 Managing Director

Kaushik S. Chaturvedi  
 Director

COMPLIANCE CERTIFICATE

CIN No.:- U24230GJ1983PLC006078

Nominal Capital:-Rs. 1,50,00,000/-

To,  
The Members,  
**M/S. HARLEYSTREET PHARMACEUTICALS LIMITED**  
29/3, Phase-III, GIDC Industrial Estate,  
Naroda, Ahmedabad-382 330.

I 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 there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31<sup>st</sup> March 2007. In my opinion and to the best of my information and according to the examinations carried out by me and explanations furnished to me 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 of the Act and the rules made there under 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 there under. No form or return was required to be filed with Regional Director, Central Government, Company Law Board, or other authorities during the financial year under review.
3. The Company being a public limited Company having paid-up capital of Rs. 95,24,000/- during the year under review.
4. The Board of Directors duly met five times respectively on 28<sup>th</sup> April 2006, 27<sup>th</sup> June 2006, 31<sup>st</sup> July 2006, 31<sup>st</sup> October 2006 and 31<sup>st</sup> January 2007 in respect of which meetings proper notices were given and the proceedings were properly recorded and signed in the Minutes Books maintained for the purpose.
5. The Company has closed its register of members from 8<sup>th</sup> September 2006 to 15<sup>th</sup> September 2006 and necessary compliance of section 154 of the Act has not been made during the financial year.
6. The annual general meeting for the financial year ended on 31<sup>st</sup> March 2006 was held on 15<sup>th</sup> September 2006 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 under Section 295 of the Act during the financial year under review.
9. The Company has 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 during the year under review.
11. There was no instance falling within the purview of Section 314 of the Act during the year under review and hence the company was not required to obtain any approvals from the Board of directors, members or Central Government during the period under review.
12. The Company has not issued any duplicate certificates during the financial year.
13. The Company has:
  - (a) delivered all the certificates on lodgment thereof for transfer in accordance with the provisions of the Act. There was no allotment of securities during the year.
  - (b) 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) 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 vacancy during the year under review.
  15. There was no appointment of Managing Director, Whole-time Director and Manager during the year under review.
  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 of Companies 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 ended on 31<sup>st</sup> March 2007.
  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 the rights to dividend, rights shares and bonus shares pending registration of transfer of shares.
  23. The Company has not invited/accepted any deposits including any unsecured loans falling within the purview of Section 58A during the financial year.
  24. The amount borrowed by the Company during the financial year ending on 31<sup>st</sup> March 2007 is within the borrowing limits of the Company.
  25. The Company has not made any investments in other bodies corporate (including advances) under Section 372A of the Act during the year under review.
  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 financial year under scrutiny.
  27. The Company has not altered the provisions of the memorandum with respect to the objects of the Company during the financial year under scrutiny.
  28. The Company has not altered the provisions of the memorandum with respect to name of the Company during the financial year under scrutiny.
  29. The Company has not altered the provisions of the memorandum with respect to share capital of the Company during the financial year under scrutiny.
  30. The Company has not altered its articles of association during the financial year.
  31. As confirmed by the management, there were no prosecutions initiated against or show cause notices received by the Company, during the financial year, for offences under the Act.
  32. As confirmed by the management, 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.

For, Sandip Sheth & Associates  
Company Secretaries

Place: Ahmedabad  
Date: 30<sup>th</sup> June 2007

(SANDIP SHETH)  
Proprietor  
C.P. No. 4354

## ANNEXURE "A"

### Statutory & Other Registers maintained by the Company

Sr.No.	Particulars	Section
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 Contracts	u/s. 301(1)
5.	Register of Directors, Managing Directors. etc.	u/s. 303(1)
6.	Register of Director's Shareholdings	u/s. 307(1)
7.	Register of Charges	u/s. 146
8.	Register of Share Transfers	

## ANNEXURE-'B'

### E-forms and returns filed by the Company with Ministry of Corporate Affairs Portal on-line during the financial year ended 31st March 2007

Sr. No.	Form No.	Filed U/S	Details of Forms	Period of Filing As per Law	Date of Actual filing	Remarks
1.	Schedule-V (e-form 20B)	159	Annual Return made upto 15-9-2006	Within 60 days from AGM Date	08.11.06	Filed vide SRN NO. P01331776
2	Schedule-VI (e-form 23AC & 23ACA)	220	Balance Sheet as at 31-3-2006	Within 30 days from AGM Date	14.10.06	Filed vide SRN NO. P00207886
3	Compliance Certificate (e-form 66)	383A (1)	Compliance Certificate to be attached with Board Report	Within 30 days from AGM Date	13-10-06	Filed vide SRN No. P00199449
4	Form No. 8	135	Modification of Charge of UTI Bank dated 16.01.2007	Within 30 days from the date of modification	13.02.07	Filed vide SRN NO. A10120194
5	DIN-III	Rule 6	Particulars of Directors of the Company	Within 7 days from the date of receipt of DIN-II	29.03.07	Filed vide SRN NO. A12509774

### Signature for Annexure 'A' and Annexure 'B'

For, Sandip Sheth & Associates  
Company Secretaries

Place: Ahmedabad  
Date: 30<sup>th</sup> June 2007

(SANDIP SHETH)  
Proprietor  
C.P. No. 4354