

27th
Annual
Report
2009 - 2010

HARLEYSTREET PHARMACEUTICALS LIMITED

Regd. Office : Plot No. 142-AB, Kandivli Industrial Estate,
Kandivli (West), Mumbai - 400 067.

Email : investors@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 : Plot No. 142-AB,
Kandivli Industrial Estate,
Kandivli (West), Mumbai - 400 067.

FACTORY : Plot No. 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 SEVENTH ANNUAL GENERAL MEETING of the Members of HARLEYSTREET PHARMACEUTICALS LIMITED will be held on Thursday, 12th August, 2010 at 4:00 p.m. at Plot No. 54D, Near Brimco Circle, Kandivli Industrial Estate, Charkop, Kandivli (West), Mumbai 400 067 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 31st March, 2010.
2. To declare dividend on equity shares.
3. To appoint a Director in place of Mr. Umesh S. Parikh, who retire by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. Saahil U. Parikh, who retire by rotation and being eligible, offers himself for re-appointment.
5. To appoint Auditors of the Company and to fix their remuneration.

By Order of the Board
For, **HARLEYSTREET PHARMACEUTICALS LIMITED**

Umesh S Parikh
Managing Director

Ahmedabad
31st May, 2010

Registered Office :
Plot No. 142-AB, Kandivli Industrial Estate, Kandivli (West), Mumbai 400 067

HARLEYSTREET PHARMACEUTICALS LTD.

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 Wednesday 4th August, 2010 to Thursday, 12th August, 2010, both days inclusive.
- c) The dividend if sanctioned at the meeting will be paid to those Members, whose names appear in the Register of Members on 12th August, 2010 and to those beneficial owners whose names are provided by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) as at the close of business hours on 3rd August, 2010.
- d) Members are requested to intimate to the Company changes, if any, in their registered address quoting their Folio Number.
- e) Shareholders seeking any information with regards to accounts are requested to write to the Company latest by 4th August, 2010 so as to enable the management to keep the information ready.

By Order of the Board

Ahmedabad
31st May, 2010

Umesh S Parikh
Managing Director

DIRECTORS' REPORT**TO THE MEMBERS**

Your Directors have pleasure in presenting the 27th Annual Report and Audited Accounts for the year ended 31st March, 2010.

FINANCIAL RESULTS

Particulars	For the year ended 31.3.2010 (Rs.Lakhs)	For the year ended 31.3.2009 (Rs. Lakhs)
Total Income	566.59	448.62
Total Expenditure	445.30	353.74
Depreciation	45.73	46.40
Profit / (Loss) before tax	75.56	48.48
Provision for taxation		
- Current	25.00	16.80
- Deferred tax	(1.73)	(3.74)
- Fringe benefit tax	-	0.68
- Earlier year provision for tax written back	(0.76)	-
Net Profit / (Loss) after tax	53.05	34.74

ADJUSTMENTS

Balance of Profit / (Loss) brought forward	203.31	168.57
Amount Available for Appropriation	256.36	203.31

APPROPRIATIONS

Proposed dividend	9.52	-
Tax on dividend	1.58	-
Balance carried forward to Balance Sheet	245.26	203.31
	256.36	203.31

REVIEW OF OPERATION

The net total income of the company for the financial year under report is Rs. 566.59 lacs as against the total net income of Rs. 448.62 lacs during the previous year. The operations of the financial year under report have resulted in a net profit after tax of Rs. 53.05 lacs as against net profit of Rs. 34.74 lacs during 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, your company has repaid in full Term Loan due to AXIS Bank.

DIVIDEND

Your directors are pleased to recommend a equity dividend of Rs. 1/- per share (10%) for the financial year under report. The dividend will be tax free in the hands of the shareholders.

The dividend amounting to Rs. 9.52 lacs and dividend tax amounting to Rs. 1.58 lacs, if approved at the ensuing Annual General Meeting, will be appropriated out of the profits for the year.

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.

COMPLIANCE CERTIFICATE

A compliance certificate under Section 383A of the Com-

panies Act, 1956, received from the company secretary in whole time practice is attached herewith.

CHANGE OF REGISTERED OFFICE OF COMPANY

Pursuant to a resolution passed by the shareholders, your company has shifted its registered office from the state of Gujarat to the state of Maharashtra at Plot No. 142-AB, Kandivli Industrial Estate, Kandivli (West), Mumbai - 400 067.

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. Umesh S. Parikh and Mr. Saahil Parikh 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 31st March, 2010 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 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 : 31st May, 2010

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

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:**

	2009-2010	2008-2009
a) Electricity :		
(i) Purchased :		
Units (KWH)	6,78,652	6,40,205
Total Amount (Rs. in lacs)	39.27	36.16
Rate / Unit (Rs.)	5.79	5.65
(ii) Own Generation		
Through Diesel generator:		
Units (KWH)	5,856	9,560
Units per Ltr of Diesel oil (KWH)	3.37	3.62
Cost of diesel per KWH (Rs.)	11.03	10.96
b) Others (Rs. in lacs)		
HSD	27.89	25.00
LPG	-	-
Oxygen Gas	-	-
LDO	-	2.25

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

Place : Ahmedabad
Date : 31st May, 2010

COMPLIANCE CERTIFICATE

CIN No.:- L24230GJ1983PLC006078

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 **31st March 2010**. 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 online filed e-forms and returns as stated in Annexure 'B' Part-I to this certificate, with the Ministry of Corporate Affairs Portal (Registrar of Companies, Gujarat) within the time prescribed under the Act and the rules made there under. The Company has filed forms / returns with the Registrar of Companies, Gujarat and the Company Law Board, Western Region, Mumbai, the details of which are provided in the attached Annexure 'B' Part-II. However, no form or return was required to be filed with Regional Director, Central Government, 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 Seven times respectively on 30th April 2009, 27th June 2009, 31st July 2009, 22nd September 2009, 30th October 2009, 4th November 2009 and 30th January 2010 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 4th September 2009 to 11th September 2009 and necessary compliance of Section 154 of the Act has been made during the financial year.
6. The annual general meeting for the financial year ended on 31st March 2009 was held on 11th September 2009 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 however the company has passed special resolution through Postal ballot on 4th November 2009 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.
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/transmission 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.

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- (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. The company has made re-appointment of Whole time Director of the company during the year under review.
16. The Company has not appointed any sole selling agents during the financial year.
17. The Company has applied for approval of Company Law Board for Shifting of registered office from one state to another during the year under review. However the Company was not required to obtain approval from Central Government, Regional Director 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 31st March 2010.
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 Company has not borrowed any money from banks, financial institutions or deposits from public during the financial year ended under review.
25. The Company has not made any loans or advances or given guarantee or provided securities to other bodies corporate during the year under review.
26. The Company has applied for alteration of the provisions of the memorandum with respect to situation of the Company's registered office from one state to another in compliance with the various provisions of the Act 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 been generally regular in 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

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

Place: Ahmedabad
Date: 31st May, 2010