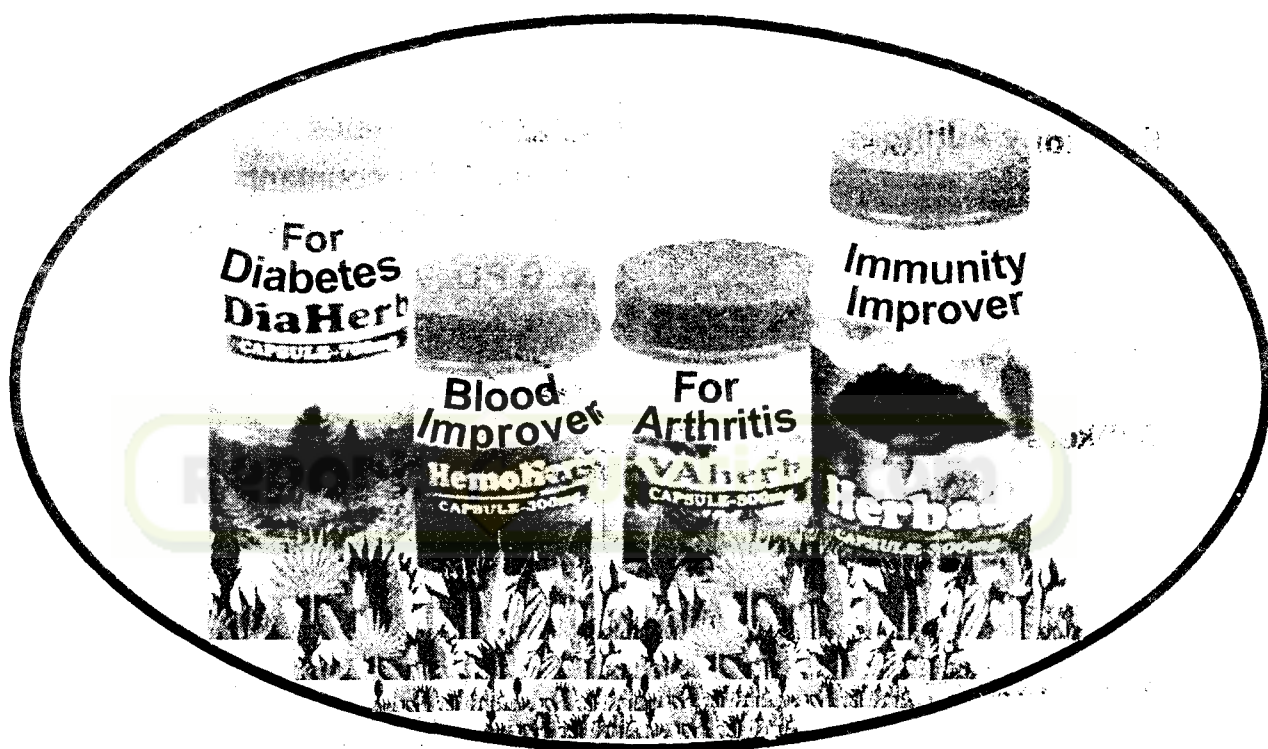




# **DINESH ALLORGA LTD.**

## **14<sup>th</sup> ANNUAL REPORT 2005-2006**



### **Registered Office :**

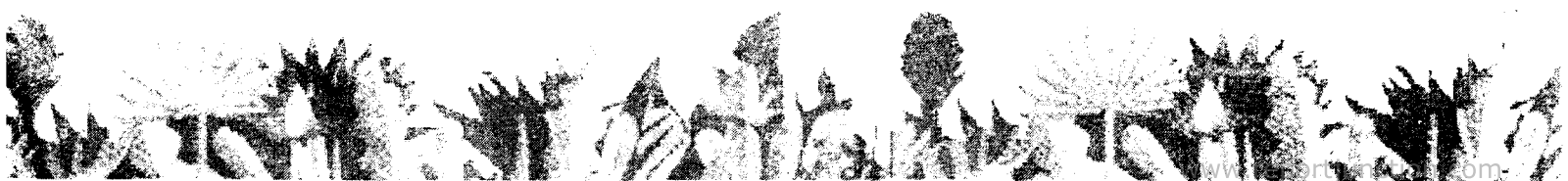
**Patel Colony, Mahavir Marg, Anand - 388 001. Gujarat. (India)**

### **Administrative Office :**

**8-A, Gulnar, Chinari - Gulnar Apartment, Anand-V.V.Nagar Road,  
Anand - 388 001 (Gujarat)**

### **Factory :**

**Lunej - 388 620, Ta - Khambhat, Dist- Anand. Gujarat.**



<b>Board of Directors</b>	:	Dr. Dineshbhai S. Patel Chairman and Managing Director  Dr. Rajnikant M. Patel Director  Mrs. Sonal D. Patel Director
<b>Statutory Auditors</b>	:	Darji and Associates Characted Accountants S-403, Kavita Shopping Center Opp. G.P.O., Anand
<b>Bankers</b>	:	ICICI Bank Canara Bank Corporation Bank
<b>Registered Office</b>	:	Patel Colony, Mahavir Marg Anand - 388 001
<b>Administrative Office</b>	:	8-A, Gulnar, Chinar-Gulnar Appartment, Anand - V. V. Nagar Road, Anand - 388 001. (Gujarat)
<b>Works</b>	:	At & Post : Lunej Ta.: Khambhat Dist. Anand Gujarat

**DINESH ALLORGA LIMITED****NOTICE :**

Notice is hereby given that Fourteenth Annual General Meeting of DINESH ALLORGA LIMITED will be held on 30<sup>th</sup> September, 2006 at 11.00 a.m. at S-403, Kavita Shopping Centre, Opp. Main Post Office, ANAND - 388 001 to transact the following business :

**ORDINARY BUSINESS :**

1. To receive, consider and adopt the Audited Balance Sheet as at 31<sup>st</sup> March, 2006 and the Profit & Loss Account for the year ended even date alongwith the Reports of Auditors and Directors thereon.
2. To appoint a Director in place of Mrs. Sonalben D. Patel, who retires by rotation and being eligible, offers herself for reappointment.
3. To appoint auditors and fix their remuneration.

**SPECIAL BUSINESS :**

- (1) To consider and if thought fit, to pass with or without modification(s), following resolution as an Ordinary Resolution:

"RESOLVED THAT Mr. Pankajkumar R. Patel, whose term of office as an additional director of the company expires at the ensuing Annual General Meeting and in respect of whom the Company has received a notice under Section 257 of the Companies Act, 1956 from a member proposing his candidature for the office of the director, be and is, hereby appointed as a Director who shall be liable to retire by rotation."

- (2) To consider and if thought fit, to pass with or without modification(s), following resolution as an Ordinary Resolution:

"RESOLVED THAT Mr. Krushnakant R. Patel, whose term of office as an additional director of the company expires at the ensuing Annual General Meeting and in respect of whom the Company has received a notice under Section 257 of the Companies Act, 1956 from a member proposing his candidature for the office of the director, be and is, hereby appointed as a Director who shall be liable to retire by rotation."

- (3) To consider and if thought fit, to pass with or without modification(s), following resolution as an Ordinary Resolution:

"RESOLVED THAT Mrs. Kinnari S. Patel, whose term of office as an additional director of the company expires at the ensuing Annual General Meeting and in respect of whom the Company has received a notice under Section 257 of the Companies Act, 1956 from a member proposing his candidature for the office of the director, be and is, hereby appointed as a Director who shall be liable to retire by rotation."

- (4) To consider and if thought fit, to pass with or without modification(s), following resolution as an Special Resolution:

"RESOLVED THAT in modification of earlier resolution, the Company do appoint M/s. Intime Spectrum Registry Limited as the Registrar and Share Transfer Agent of the Company and the Register of Members and other Registers and Returns, be kept at the office of Registrar & Share Transfer Agent at 1<sup>st</sup> Floor, 308, Jaldhara Complex, Opp. Manisha Society, Manisha Chokdi, Old Padra Road, Vadodara-390015

FURTHER RESOLVED THAT any Director of the Company, be and is, hereby authorized to do all the acts and deeds necessary to give effect to the above resolutions"

**FOR AND ON BEHALF OF THE BOARD**

Place : Anand

Date : 1<sup>st</sup> July 2006

Dr. Dinesh Patel

Chairman & Managing Director

**NOTES :**

- (A) A MEMBER ENTITLED TO ATTEND VOTE AT THE MEETINGS IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND, AND VOTE ON A POLL ONLY INSTEAD OF HIMSELF, AND A PROXY NEED BE A MEMBER
- (B) PROXY IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING.
- (C) REGISTER OF MEMBERS AND SHARE TRANSFER BOOKS OF THE COMPANY WILL REMAIN CLOSED FROM 22.09.2006 TO 30.09.2006 (BOTH DAYS INCLUSIVE)

**DINESH ALLORGA LIMITED****DIRECTORS' REPORT**

Dear Members

Your Directors have pleasure in presenting their Fourteenth Annual Report together with the Audited Statement of Accounts for the Financial Year ended on 31<sup>st</sup> March, 2006.

**(1) FINANCIAL AND WORKING RESULTS :**

<b>PARTICULARS</b>	<b>2005-2006 [Rs.]</b>	<b>2004-2005 [Rs.]</b>
Profit/(Loss) Before Depreciation :	(2,10,749)	(4,88,227)
Less : Depreciation	8,37,556	8,37,545
Profit/(Loss) Before Tax :	(10,62,332)	(13,25,772)
Less : Provision for Tax	NIL	NIL
Profit/(Loss) After Tax	(10,62,332)	(13,25,772)
Add : Balance brought forward	(81,45,902)	(68,20,131)
<b>BALANCE CARRIED TO BALANCE SHEET</b>	<b>{92,08,234}</b>	<b>(81,45,902)</b>

**(2) PERFORMANCE**

The Company has carried out Job work and Sale of Medicine activity during the year ended 31<sup>st</sup> March, 2006

**(3) OPERATIONS**

The Company has carried out job work worth Rs. 87,400 and Export Sales of Rs.1,23,348 various efforts are made by the Management to reduce cost and to improve overall efficiency in operations. The Company has decided to manufacture pharmaceuticals and diversify the activities in the current year.

**DEPOSITS :** The Company has not accepted or invited fixed deposits in compliance with the Companies (Acceptance of Deposits) Rules, 1975.

**(4) DIVIDENDS :** In view of losses, your Directors do not recommend dividend the year.**(5) PARTICULARS OF EMPLOYEES :**

There was no employee drawing remuneration of Rs.24,00,000 or more per annum or Rs.2,00,000 per month for any part of the year and hence no particulars have been furnished as required under section 217(2A) of the Companies Act, 1956.

**(6) PARTICULARS RELATING TO CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:**

The information required under Section 217(1) (e) of the Companies Act, 1956 read read with the Companies (Disclosure of Particulars in the Board of Directors) Rules, 1988 is annexed hereto and forms part of this Report.

**(7) DIRECTORS RESPONSIBILITY STATEMENT :**

(i) Your directors have followed the applicable accounting standards along with proper explanation relating to material departure while preparing the annual accounts

(ii) Your 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 and of the profit of the company for that period;

(iii) Your directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

(iv) Your directors have prepared the annual accounts on a going concern basis.

**(8) DIRECTORATE:** Shri R.M. Patel has resigned w.e.f. 1<sup>st</sup> July, 2006 and Shri. P.R.Patel, Shri. K.R.Patel and Mrs. K.S.Patel have been appointed as Additional Directors of your Company w.e.f. 1<sup>st</sup> July, 2006.**(9) AUDITORS :** M/s. Darji & Associates, Chartered Accountants, Anand, retire at the conclusion of this Annual General Meeting. A written Certificate is being obtained from the Auditors, M/s. Darji & Associates, Chartered Accountants, Anand to the effect that in case of their re-appointment as Auditors the same would be within the limits laid down in Section 224 (1B) of the Companies Act, 1956.**(10) ACKNOWLEDGEMENTS :** Your Directors wish to thank the Banks, Dealers, Customers, Suppliers and Shareholders for their continued support. Your directors also take this opportunity to record their appreciation for the contributions made by all the employees to the operations of the Company during the year.

Place: Anand

Date: 1<sup>st</sup> July, 2006

**FOR AND ON BEHALF OF THE BOARD**

**Dr. Dinesh Patel**

## CORPORATE GOVERNANCE REPORT

**Company Philosophy**

The Company is committed to good Corporate Governance and endeavours to implement the Code of Corporate Governance in true spirit.

The philosophy of your company in relation to Corporate Governance is to ensure transparency in all its operations ,make disclosure and enhance shareholder value without compromising in any way in compliance with laws and regulations .

Your Company believes that good governance brings about sustained corporate growth and long term benefits for stakeholders. Your Company continuous to follow procedures and practices in conformity with the Code of Corporate Governance as enunciated in the Listing Agreement , Details of the implementation of the Code follow in the paragraphs below .

**Board of Directors**

The names and categories of the Directors on the Board . their attendance at Board Meetings during the year and at the last Annual General Meeting , as also the number of Directorship and Committee Membership held by them in other companies are given below :

Name of Directors	Category of Directorship	No. of Meetings Attended	Attended at Last AGM	No. of other Directorship held	Membership held in Committee	Chairman held in Committee
Dr. Dinesh Patel	Chairman and Managing Director	4	1	0	2	1
Dr. R. M. Patel #	Independent Director	2	1	0	1	0
Mrs. Sonal D. Patel	Director	2	1	0	2	1
Mr. Pankaj R. Patel *	Independent Director					
Mr. Krushkant R. Patel *	Independent Director					
Mrs. Kinnari S. Patel *	Independent Director					

\* Appointed w.e.f. 01/07/2006

# Resigned w.e.f. 01/07/2006

**Number of Board Meetings with Dates**

As follows

No. of Board Meetings	Date of Meetings
1	25/04/2005
2	22/07/2005
3	17/10/2005
4	31/01/2006

**Audit Committee**

Terms of reference :

The rule and terms of reference of Board Audit Committee cover areas mentioned under Clause 49 of the Listing Agreement and Section 292A of the Companies Act , 1956 , besides other terms as may be referred by the Board of Directors .

Composition :

The Board Audit Committee was formed on 30/09/2003 . The Committee comprises of two independent non executive Directors.

The Committee met four times during the year and the attendance of the Members at the meetings was as follows :

Name of Member	Status	Category	No. of Meetings Attendance
Dr. R.M. Patel	Member	Independent Director	4
Mrs. Sonal D. Patel	Member	Director	4

**Shareholders / Investors Grievance Committee**

The Committee looks into the redressal of Shareholders' and Investors' complaints on transfer of shares,non-receipt of Annual Report / Dividend , etc.

During the year 2005-06 , the Committee met 3 times on 7/8/2005 , 28/02/2006 & 31/03/2006.