

**13th Annual Report  
2001 - 02**



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**MONOZYME INDIA LIMITED**  
**176/2 & 176/3, 1st Floor, Sripati Venkatrao Mansion**  
**Tarbund, Bowenpally,**  
**Secunderabad - 500 003.**

**Monozyme India Limited**

**BOARD OF DIRECTORS**

Sri M Srinivasa Rao	Director
Sri P V S Raju	Director
Dr Suryakant G Patil	Managing Director

**AUDITORS**

M/s J B Reddy & Co.,  
Chartered Accountants  
206, Srinilaya Estate  
Ameerpet  
Hyderabad.

**BANKERS**

State Bank of Hyderabad  
Overseas Branch  
Somajiguda  
Hyderabad.

**REGISTERED OFFICE**

176/2 & 176/3,  
1st Floor, Sripati Venkatrao Mansion  
Tarbund, Bowenpally  
Secunderabad - 500 003.

**Monozyme India Limited****NOTICE**

NOTICE is hereby given that the Thirteenth Annual General Meeting of the Members of MONOZYME INDIA LIMITED will be held on Monday, 30th September 2002 at 11.00 A M at Le Palais Royal," Ibrahim Mahal" Opp. Gymkhana Grounds, 150,Brig.Sayeed Road, Secunderabad - 500 003 to transact the following business:

**ORDINARY BUSINESS :**

1. To receive, consider and adopt the Audited Profit and Loss Account for the year ended 31st March, 2002 and the Balance Sheet as at that date together with Reports of the Auditor and Directors' Report thereon.
2. To appoint Shri M Srinivasa Rao as Director who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint Auditors and fix their remuneration. The retiring Auditors M/s J B Reddy & Co., Chartered Accountants, Hyderabad are eligible for reappointment.

**Registered Office:**

176/2 & 176/3, 1st Floor,  
Sripati Venkatrao Mansion,  
Tarbund, Bowenpally,  
Secunderabad - 500 003.  
Date: 23rd August, 2002

By Order of the Board

**Dr Suryakant G Patil**  
Managing Director

**NOTES**

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on a poll in his stead and the Proxy need not be a member. The Proxy Forms should be lodged with the company not less than 48 hours before the time for holding the meeting.

**Monozyme India Limited****DIRECTORS' REPORT TO THE MEMBERS**

- 1) Your Directors have pleasure in presenting the Thirteenth Annual Report of your company together with the Audited Accounts for the Accounting year ended 31st March, 2002 and the Report of the Auditors thereon.

**FINANCIAL RESULTS:**

- 2) The Financial and Operational Results of your Company for the accounting year under review are furnished hereunder.

(Rs. in Lakhs)

	For the year ended 31.03.2002	For the year ended 31.03.2001
1. Net Sales/Income from Operations	600.09	498.68
2. Other Income	1.35	2.40
3. Total Expenditure	555.93	451.02
4. Interest	26.84	34.75
5. Gross Profit after Interest but before Depreciation	18.67	15.31
6. Depreciation	6.03	5.64
7. Provision for Taxation (Net of deferred tax)	0.41	0.90
8. Net Profit for the year	12.23	8.77
9. Prior year adjustment	0.01	0.15
10. Net Profit carried to Balance Sheet	12.22	8.62

**3) Directors**

Sri M.Srinivasa Rao, Director, retires by rotation and being eligible offers himself for re-appointment.

**4) Auditors:**

M/s. J B Reddy & Co., Auditors of your Company retire at the conclusion of the Thirteenth Annual General Meeting and being eligible, offer themselves for re-appointment.

**5) Particulars of Employees :**

During the Year under review, there is no employee falling within the purview of the provisions of Section 217(2A) of the Companies Act, 1956 read with relevant rules thereunder.

**6) Particulars relating to conservation of energy, etc.:**

The Particulars as required under Section 217 (1) (e) of the Companies Act, 1956 read with relevant rules thereunder with regard to conservation of energy, technology absorption, foreign exchange earnings and outgo are set out in a separate statement, which forms part of this report.

**7) Directors' Responsibility Statement :**

In terms of Section 217(2AA) of the Companies Act, 1956, the Directors collectively make the following responsibility statement:

The Directors confirm that:

- (a) in the preparation of the annual accounts, the applicable accounting standards have been followed;
- (b) appropriate accounting policies have been selected and applied consistently and judgments and estimates made are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as on 31st March, 2002 and of the profit of the Company for the year ended 31st March, 2002;
- (c) 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 safe guarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) the annual accounts have been prepared on a going concern basis.

**8) Audit Committee :**

The Audit Committee comprises of Sri M. Srinivasa Rao, Chairman and Dr. Suryakant G Patil Directors of the Company. The members bring with them vast experience in the field of operations, finance and legal. The terms of reference of the Audit Committee includes inter alia reviewing of the Internal Auditors' report, internal control system and procedures and ensuring compliance of statutory requirements. The Audit Committee also interacts with the statutory auditors and the management with reference to the accounting policies and practices, adjustments etc., relating to the annual financial results before submitting the same to the Board for its approval. The Audit Committee had met four times during the year under review.

**9) Listing**

The equity shares of the Company are listed on the stock exchange at Hyderabad and Mumbai. The Company has paid the annual listing fees.

**10) Dematerialisation of Shares :**

Since notified that the Company's shares are to be treated on stock exchanges only in demat form with effect from 26-03-2001. The Company had executed necessary agreement with both the Depositories, National Securities Depository Limited and Central Depository Services (India) Limited. The Company's registrars are M/s. Sindhu Corporate Service (P) Ltd., as on date 24 % of shares of the Company have been dematerialised.

**Monozyme India Limited****11) Management Discussion and Analysis & Report**

Pursuant to clause 49 of the listing agreement entered into with the stock exchange, a section of Management discussion and Analysis report is enclosed as Annexure I to this Report.

**12) Corporate Governance**

Your Company has taken adequate steps to ensure that all mandatory provisions of Corporate Governance, prescribed under the amended Listing Agreement with Stock Exchanges with which the Company is listed, are complied with.

A separate report on Corporate Governance is furnished as a part of the Annual Report along with the Auditors' Certificate on its Compliance as Annexure II.

**13) Acknowledgments:**

Your Directors wish to convey their sincere thanks to State Bank of Hyderabad and various Government Agencies for their support and co-operation. Your Directors also place on record their appreciation to all the employees for their contribution to the growth of the organisation.

Your Directors take this opportunity to express their deep sense of gratitude to the investing public for their support.

Place : Secunderabad.

FOR AND ON BEHALF OF THE BOARD

Date : 23.08.2002.

**Dr. Suryakant G Patil**

Managing Director

**Monozyme India Limited**

**Particulars required under the Companies (Disclosure of particulars in the report of Board of Directors) Rules, 1988 & forming part of Directors report to the shareholders for the Thirteenth Annual General Meeting.**

Disclosure of Particulars with respect to:

- |                              |   |                  |
|------------------------------|---|------------------|
| A. Conservation of energy    | : | Not Applicable   |
| B. Technology absorption     | : | Nil              |
| C. Foreign Exchange Earnings | : | Rs. 2,79,994/-   |
| D. Foreign Exchange Outgo    |   |                  |
| a) Import of Raw Materials   | : | Rs.1,50,52,560/- |
| b) Foreign Travel Expenses   | : | Rs. 86,908/-     |

Place : Secunderabad.  
Date : 23.08.2002.

FOR AND ON BEHALF OF THE BOARD

**Dr. Suryakant G Patil**  
Managing Director

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**ANNEXURE - I to Directors' Report****Management Discussions and Analysis Report****A) Industry Structure and Developments, Opportunities and Threats, Performance, Outlook and Risks and Concerns:**

The International and Domestic markets for the Diagnostic Industry have become price competitive as well as quality sensitive. The Company was able to indigenise some bio-chemistry products during the year and working on more indigenisation by putting good efforts in R&D activities in view of more health care awareness in India. The domestic market potential has substantially increased and the Company's operations are growing in the domestic markets. The Company has been depending on foreign suppliers for some of good quality products of infectious diseases like HbsAg, Hiv and Hcv.

The Company was able to start export activity during the year by entering into export markets of Maldives, Sri Lanka and Mauritius.

**B) Internal Control System and their adequacy:**

The Internal Control Systems comprises of exercising controls at various stages and are established in order to provide reasonable assurance for:

- (i) Safeguarding Assets and their Usage,
- (ii) Maintenance of Proper Accounting Records and
- (iii) Adequacy and Reliability of the information used for carrying on Business Operations.

The Key elements of the system are as follows:

- (a) Existence of Authority Manuals and periodical updating of the same for all Functions.
- (b) Existence of Clearly Defined Organisational Structure and Authority.
- (c) Existence of Corporate Policies for Financial Reporting and Accounting.
- (d) Existence of Management Information System updated from time to time as may be required.
- (e) Existence of Annual Budgets and Long Term Business Plans.
- (f) Existence of Internal Audit Systems.
- (g) Periodical Review of Opportunities and Risk Factors depending on the Global/Domestic Scenario and to Undertake Measures as may be necessary.

Normal foreseeable risks of the Company's assets are adequately covered by comprehensive insurance. Risk assessments, Inspections and Safety Audits are carried out periodically.



**Monozyme India Limited****C) Financial and Operational performance ;**

The Financial and Operational Results of your Company for the accounting year under review are furnished hereunder.

	(Rs. in Lakhs)	
	For the year ended 31.03.2002	For the year ended 31.03.2001
1. Net Sales/Income from Operations	600.09	498.68
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10. Net Profit carried to Balance Sheet	12.22	8.62

**D) Human Resources Development and Industrial Relations:**

The Company continued with its Policy of Human Resource Development and retention. To enrich the skills of employees and enrich their experience, the Company arranges, Practical Training Courses by Internal and External Faculty. The Company is maintaining good employee relations and no man-days are lost during the year due to employee's unrest.

For and on behalf of the Board

Place : Secunderabad  
Date : 23.08.2002

Dr Suryakant G Patil  
Managing Director

**Monozyme India Limited****ANNEXURE - II to Directors' Report****COMPLIANCE REPORT ON CORPORATE GOVERNANCE**

In terms of the schedule of implementation of Clause No. 49 of the Listing Agreement on Corporate Governance, your Company has to comply with the same within financial year 2001-2002, but not later than 31.03.2002.

**a) Company's Philosophy:**

The Company's policies and philosophy adopted since inception, are in line with the Corporate Governance code now introduced. The composition of Board of Directors is well balanced with a view to manage the affairs of the Company efficiently and professionally. The Company's philosophy is to produce high quality products conforming to the international standards and to provide satisfaction to all stakeholders including customers, shareholders and employees.

**b) Board of Directors:**

i) Composition and Category of Directors as of March 31, 2002 as follows:

Category	No. of Directors
Managing Director	1
Independent Directors	2
Total	3

ii) Number of other Companies the Director is a Director/Chairman

Name of the Director(s)	Number of other Companies in which Director(including Alternate Director)
Dr Suryakant G Patil	Nil
Sri M Srinivasa Rao	Nil
Sri P V S Raju	4

iii) Attendance of each Director at the Board meetings and the last AGM

Director	No. of Board Meetings Attended	Last AGM attendance (Yes/No)
Dr Suryakant G Patil	5	Yes
Sri M Srinivasa Rao	5	Yes
Sri P V S Raju (Joined on 24.08.2001)	2	No