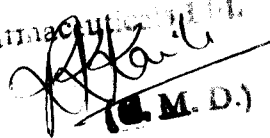


Perk Pharmaceuticals Limited

ANNUAL REPORT 2004-2005

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For Perk Pharmaceuticals Ltd.


(M. D.)

PERK[®]

PERK PHARMACEUTICALS LIMITED**PERK****ANNUAL REPORT 2004 - 2005****BOARD OF DIRECTORS**

RAMESH KUMAR KAILE - CHAIRMAN &
MANAGING DIRECTOR
DHIRAJ KAILE - WHOLE TIME DIRECTOR
VIKRAM KAILE - WHOLE TIME DIRECTOR
KRISHNA KAILE
SUNDER LAL
SHIV NATH
RAVI KUMAR
SMT. INDU KUMAR

AUDITORS

JYOTSANA MADAN & ASSOCIATES
Chartered Accountants

BANKERS

UNION BANK OF INDIA, MEERUT MAIN

REGISTERED OFFICE & PLANT

A-7, INDUSTRIAL ESTATE,
PARTAPUR - 250 103 (U.P.)

CORPORATE OFFICE

807, ARUNACHAL, 19 BARAKHAMBA ROAD,
CONNAUGHT PLACE, NEW DELHI - 110 001

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"QUALITY POLICY"

'PERK' is committed to ensure that products produced and marketed by it are manufactured with a consistent standard that ensures highest standards of quality.

We strive for excellence in our products which shall be achieved by all involved working together as a cohesive force.

PERK PHARMACEUTICALS LIMITED**PERK****PERK PHARMACEUTICALS LIMITED**

Regd. Office : A-7, Industrial Estate,
PARTAPUR - 250 103 (U.P.)

NOTICE

Notice is hereby given that the 24th Annual General Meeting of the share holders of **M/S PERK PHARMACEUTICALS LTD.** will be held on Friday, 30th September, 2005 at 10.00 A.M. at A-7, Industrial Estate, Partapur 250 103 Distt. Meerut (U.P.) to transact the following business:

1. To receive and adopt the Accounts and Balance Sheet for the year ended 31st March 2005, and Directors & Auditors Report thereon.
2. To appoint a Director in place of Shri. Dhiraj Kaile, who retires by rotation and being eligible offers him self for reappointment.
3. To appoint a Director in place of Shri. Shiv Nath, who retires by rotation and being eligible offers him self for reappointment.
4. To appoint Auditors to hold office from the conclusion of this meeting until the next annual general meeting of the company and to fix their remuneration. M/s Jyotsana Madan & Associates, Chartered Accountants, the retiring auditors are eligible for reappointment.

Special Business

5. **RE-APPOINTMENT OF Shri. R. K. KAILE AS MANAGING DIRECTOR OF THE COMPANY.**

To consider and if thought fit, to pass, the following Resolution as an Ordinary Resolution :- "RESOLVED THAT in accordance with the provisions of section 198, 269 read with Schedule XIII, 209 and other applicable provisions, if any, of the Companies Act 1956, including any statutory modifications or reenactment thereof pursuant to approval of the Remuneration Committee in terms of Part-II of said Schedule-XIII Shri. R. K. Kaile be and is hereby re-appointed as Managing Director of the Company for a period of five years w.e.f. 30th May, 2005 on the following Terms & Conditions contained in the draft agreement to the entered into between the company and Shri. R.K. Kaile"

I. PERIOD	:	5 Years w.e.f. 30-05-2005
II. BASIC SALARY	:	Rs.10,000=00 Per Month
III. COMMISSION	:	NIL
IV. PERQUISITES	:	As per Schedule-XIII of the Companies Act, 1956. Restricted to amount equal to annual salary

"RESOLVED further that in event of absence or inadequacy of profits in any financial year, the aforesaid remuneration shall be deemed to be minimum remuneration payable to Shri. R.K. Kaile, Managing Director of the company."

"RESOLVED further that Board of Directors of the company and is here by authorized to take all such steps as may be necessary, proper, or expedient to give effect to this resolution."

PERK PHARMACEUTICALS LIMITED**PERK****6. RE-APPOINTMENT OF Shri. DHIRAJ KAILE AS WHOLE-TIME DIRECTOR OF THE COMPANY.**

To consider and if thought fit, to pass, the following Resolution as an Ordinary Resolution :- "RESOLVED THAT in accordance with the provisions of section 198, 269 read with Schedule XIII, 209 and other applicable provisions, if any, of the Companies Act 1956, including any statutory modifications or reenactment thereof pursuant to approval of the Remuneration Committee in terms of Part-II of said Schedule-XIII Shri. Dhiraj Kaile be and is hereby re-appointed as Whole-Time Director of the Company for a period of five years w.e.f. 30th May, 2005 on the following Terms & Conditions contained in the draft agreement to the entered into between the company and Shri. Dhiraj Kaile"

V. PERIOD	:	5 Years w.e.f. 30-05-2005
VI. BASIC SALARY	:	Rs.8,000=00 Per Month
VII. COMMISSION	:	NIL
VIII. PERQUISITES	:	As per Schedule-XIII of the Companies Act, 1956. Restricted to amount equal to annual salary

"RESOLVED further that in event of absence or inadequacy of profits in any financial year, the aforesaid remuneration shall be deemed to be minimum remuneration payable to Shri. Dhiraj Kaile, Whole-Time Director of the company."

"RESOLVED further that Board of Directors of the company and is here by authorized to take all such steps as may be necessary, proper, or expedient to give effect to this resolution."

7. RE-APPOINTMENT OF Shri. VIKRAM KAILE AS WHOLE-TIME DIRECTOR OF THE COMPANY.

To consider and if thought fit, to pass, the following Resolution as an Ordinary Resolution :- "RESOLVED THAT in accordance with the provisions of section 198, 269 read with Schedule XIII, 209 and other applicable provisions, if any, of the Companies Act 1956, including any statutory modifications or reenactment thereof pursuant to approval of the Remuneration Committee in terms of Part-II of said Schedule-XIII Shri. Vikram Kaile be and is hereby re-appointed as Whole-Time Director of the Company for a period of five years w.e.f. 30th May, 2005 on the following Terms & Conditions contained in the draft agreement to the entered into between the company and Shri. Vikram Kaile"

IX. PERIOD	:	5 Years w.e.f. 30-05-2005
X. BASIC SALARY	:	Rs.8,000=00 Per Month
XI. COMMISSION	:	NIL
XII. PERQUISITES	:	As per Schedule-XIII of the Companies Act, 1956. Restricted to amount equal to annual salary

"RESOLVED further that in event of absence or inadequacy of profits in any financial year, the aforesaid remuneration shall be deemed to be minimum remuneration payable to Shri. Vikram Kaile, Managing Director of the company."

"RESOLVED further that Board of Directors of the company and is here by authorized to take all such steps as may be necessary, proper, or expedient to give effect to this resolution."

By Order of the Board of Directors

Place : Partapur, Meerut.

Dated : 15th July, 2005

(R.K. Kaile)

Chairman & Managing Director

PERK PHARMACEUTICALS LIMITED**PERK****NOTES**

- a. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER. PROXY IN ORDER TO BE VALID, MUST BE RECEIVED BY THE COMPANY AT THE REGISTERED OFFICE NOT LESS THAN 48 HOURS BEFORE THE MEETING.
- b. The Register of Members and Transfers Books of the Company will remain closed from Wednesday, 28th September' 2005 to Friday, 30th September' 2005 (both days inclusive).
- c. Members desirous of obtaining any information concerning the accounts and operations of the Company are requested to address their questions to the Managing Director of the Company so as to reach him at least 7 days before the date of the meeting.
- d. Members are requested to intimate the Company not later than 29th September' 2005 the changes, if any, in their registered address along with the pin-code.
- e. Members holding shares of the Company under more than one Ledger Folios are requested to send to the Company their Share certificates for consolidating the Folios into one. The Share Certificates will be returned to the Shareholders after making the requisite endorsement thereon.
- f. The provision of Section 205-C of the companies act 1956 with respect to transfer of Unpaid dividend Investor's Education and Protection Fund is not applicable as the company did not declare any dividend for the financial year 1997 - 1998.
- g. The details of the directors retiring by rotation and seeking re-appointment at the ensuing Annual General Meeting has been given in Corporate Governance Report for the financial year 2004 - 2005, and annexed with the director's report for the said financial year.

**EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF
THE COMPANIES ACT 1956.**

For Item Nos. 5, 6 & 7

Shri R. K. Kaile, Shri. Dhiraj Kaile and Shri. Vikram Kaile were re-appointed as Managing Director and Whole-Time Directors by the Share Holders of the company in the A.G.M. held on November 30th, 2000 for the period of five years w.e.f. 30.05.2000. So their tenure ended on 30.05.2005. The Board of Directors in their meeting held on 27.05.2005 re-appointed Shri. R.K.Kaile, Shri. Dhiraj Kaile & Shri. Vikram Kaile as managing Director and Whole-Time Directors for further period of five years w.e.f. 30.05.2005. Subject to the approval of the Share Holders on the terms & conditions as set out in the draft agreement entered into between the company and the aforesaid Managing Director and Whole-Time Directors referred to in the Resolution at Item No.5, 6 & 7 of this notice abstract of which is indicated below :

- | | | | |
|-----|---------------------|---|--|
| (A) | Name of Appointee | : | Shri. R.K. KAILE |
| | Designation | : | Managing Director |
| | Date of Appointment | : | 30.05.2005 |
| | Period | : | Five Years w.e.f. 30.05.2005 |
| | Remuneration | : | Rs.10,000=00 p.m. Perquisites as per Schedule XIII of the Companies Act 1956, restricted to amount of annual salary. |
| | | | |
| (B) | Name of Appointee | : | Shri. DHIRAJ KAILE |
| | Designation | : | Whole-Time Director |
| | Date of Appointment | : | 30.05.2005 |
| | Period | : | Five Years w.e.f. 30.05.2005 |
| | Remuneration | : | Rs.8,000=00 p.m. Perquisites as per Schedule XIII of the Companies Act 1956, restricted to amount of annual salary. |

PERK PHARMACEUTICALS LIMITED**PERK**

(C)	Name of Appointee	:	Shri. VIKRAM KAILE
	Designation	:	Whole-Time Director
	Date of Appointment	:	30.05.2005
	Period	:	Five Years w.e.f. 30.05.2005
	Remuneration	:	Rs.8,000=00 p.m. Perquisites as per Schedule XIII of the Companies Act 1956, restricted to amount of annual salary.

The remuneration of the said appointments have been approved by the Remuneration Committee. The remuneration as mentioned in the proposed resolution shall be paid as a minimum remuneration to the Managing Director and Whole-Time Directors in the event of absence or inadequacy of profit in any year as mentioned in Schedule XIII of the Companies Act 1956. Shri. R.K. Kaile, Shri. Dhiraj Kaile and Shri. Vikram Kaile have rich experience of the pharmaceutical business of the company. There appointment will be in the interest of the company. Accordingly the Board recommends the share holders to approve the said resolution at Item No.5, 6 & 7 of this notice.

None of the directors of the company are concerned or interested in the said resolution except Shri. R.K. Kaile, Shri. Dhiraj Kaile, Shri. Vikram Kaile and Smt. Krishna Kaile being relatives of each other and so are interested in the said resolution. The copy of the Draft Agreement(s) between the company and the Managing Director and Whole-Time Directors are available for inspection by the member of the company at its Registered Office A-7, Industrial Estate, Partapur, Meerut, between 2:00pm to 4:00pm of all working days of the company.

By Order of the Board of Directors

Place : Partapur, Meerut.

Dated : 15th July, 2005

(R.K. Kaile)

Chairman & Managing Director

PERK PHARMACEUTICALS LIMITED**PERK****DIRECTORS' REPORT**

To,

The Members,

Your Directors have pleasure in presenting the 24th Annual Report together with the Audited Accounts of the Company for the year ended 31.03.2005.

CORPORATE RESULTS : (Rs. in Lakhs)

	2004-2005	2003-2004
<i>Sales</i>	105.69	130.36
Profit before Interest & Depreciation	(22.56)	(14.10)
Less : Interest	0.68	1.77
Profit after Interest	(23.24)	(15.87)
Less : Depreciation	14.05	12.89
Profit Before Tax	(37.29)	(28.76)
Less : Provision for Taxation	—	—
<i>Profit After Taxation</i>	(37.29)	(28.76)
Add : Balance Brought Forward	(155.80)	(127.04)
Add : Depreciation written back	—	—
Profits available for appropriation	(193.09)	(155.80)

DIRECTORS :

Shri. Dhiraj Kaile and Shri. Shiv Nath, Directors of Company retires by rotation at this ensuing Annual General Meeting but being eligible offers themselves for re-appointment. Shri. R.K. Kaile, Shri. Dhiraj Kaile and Shri. Vikram Kaile were re-appointed as Managing Director and as Whole-Time Directors by the Board of Directors for a period of five years w.e.f. May 30th, 2005 subject to the approval of Share Holders at this ensuing A.G.M. as set out and on terms & conditions in the notice for ensuing A.G.M.

DIVIDEND :

Due to the loss incurred by the company during the financial year 2004 - 2005, the Directors do not propose any Dividend for the year under review.

NEW PRODUCT LAUNCHES :

The Company is planning new range of Antibiotic Injections, analgesics and Muscular Relaxant in coming Months which should help to capture new markets. Now the company is standardizing and stabilizing its sales and its products. The company is also likely to enter market in south India. The company is also changing its marketing policies to initiate and increase the sales. The company by taking said measures hopes to wipe out its losses and attain profitability in the next financial year.

EXPANSION & FUTURE OUTLOOK :

The Company has already launched in Bihar, Haryana, Rajasthan and Delhi. And the Company is in stabilizing its Sales and its products. The Company hopes to increase turnover and performance next year.

PERSONNEL :

The Company and the Directors record their appreciation for the cordial relationship between the employees and management and the Company continues to pay greater attention in encouraging a healthy work environment.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUTGO :

Statements in accordance with the provisions 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, regarding conservation of energy, technology absorption and foreign exchange transactions are given in Annexure forming part of this Report.

PERK PHARMACEUTICALS LIMITED**PERK****AUDITORS :**

M/S Jyotsana Madan & Associates, Chartered Accountants, auditors of the Company retire at this meeting and are eligible for reappointment. The Company has received a certificate to the effect that their reappointment if made would be in accordance with the provision of Companies Act 1956.

CORPORATE GOVERNANCE :

The provisions of Corporate Governance were implemented during the financial year 2002 - 2003 i.e. w.e.f. 31.01.2003. A separate report on Corporate Governance is included / annexed as part of the Annual Report 2004 - 2005. The Auditor's Certificate confirming compliance of conditions of corporate governance is included in the said report.

LISTING OF SHARES INFORMATION REGARDING STOCK EXCHANGE :

The company's equity shares are listed at the Stock Exchange, Mumbai and The U.P. Stock Exchange Association Limited, Kanpur. The company has passed resolution in the 22nd Annual General Meeting for De-Listing of Shares from The Stock Exchanges of Delhi and Hyderabad and the matter is under process.

PARTICULARS OF EMPLOYERS :

There was no employee in receipt of remuneration attracting the provisions of section 217(2A) of the Companies Act, 1956, read with the companies (Particulars of employees amendment) Rules, 1988.

DIRECTORS RESPONSIBILITY STATEMENT : (Under Section 217 (2AA) of the Companies Act)

We accordingly state:

1. that in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
2. that the directors had selected such accounting policies and applied the consistently and made judgment 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 or loss of the company for that period;
3. that the directors had 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;
4. that the directors had prepared the annual accounts on a going concern basis.

AUDITORS REPORT :

The notes to the accounts are self explanatory & therefore do not call for any further comments.

ACKNOWLEDGMENTS :-

The Directors acknowledge the active co-operation & help received from the Banks & Government agencies. They also gratefully acknowledge the support and goodwill extended by the Doctors, Dealers, Customers, Suppliers and Investors.

For and on Behalf of the Board

Date : 15th July, 2005
Place: Partapur, Meerut

(R.K. KAILE)
CHAIRMAN &
MANAGING DIRECTOR

(DHIRAJ KAILE)
WHOLE TIME DIRECTOR

PERK PHARMACEUTICALS LIMITED**PERK****ANNEXURE**
(Annexure to the Directors' Report)

Information as per Section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in Report of the Board of Directors) Rules, 1988 and forming part of the Directors Report for the year ended 31st March, 2005.

A CONSERVATION OF ENERGY

- a) The Company is continuing its Energy Conservation Measures like:
- (i.) Continuous monitoring of power factor has been done resulting in a consistent power factor of 0.85, thus saving electrical energy.
 - (ii.) Proper Maintenance of energy efficient heaters in Steam Autoclave.
 - (iii.) Proper Maintenance of Chilled Water pipelines.
- b) Additional Investment and Proposal :
- (i.) Streamlining of Piping, insulation and distribution panels is being maintained
- c) Impact of measures (a) and (b) above :
- There has been and is further going to be a favorable impact of the above steps in reducing the energy cost.
- d) Total Energy Consumption per unit of Production :
- Information is given in Form A, annexed.

B. TECHNOLOGY ABSORPTION

- e) Efforts made towards Technology absorption :
- Latest additional techniques as per WHO G.M.P. standards employed and are being updated in the complete Manufacturing facilities.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

Not Applicable

FORM - A
CONSERVATION OF ENERGY

		Year Ended 31.03.2005	Year Ended 31.03.2004
Power & Fuel Consumption			
1. Electricity			
a)	Purchased		
	Units	40,656	47,852
	Total Amount (Rs.)	3,18,039.00	4,79,948.65
	Rate/Unit (Rs.)	7.82	10.03
b)	Own Generation (Through D.G. Set)		
	Units	4,037	5,425
	Units/Liter of Diesel Oil	4.00	4.00
	Cost/Units (Rs.)	6.58	4.33
2.	Coal - Not Applicable		

For and on behalf of the Board

Place : Partapur, Meerut
Date : 15th July, 2005

(R.K. KAILE)
CHAIRMAN &
MANAGING DIRECTOR

(DHIRAJ KAILE)
WHOLE TIME DIRECTOR

PERK PHARMACEUTICALS LIMITED**CORPORATE GOVERNANCE REPORT**

As per requirement of the Listing Agreement and in order to promote and raise the standards of Corporate Governance the Company implemented Corporate Governance in the financial year 2002 – 2003 i.e. w.e.f. 31.01.2003. As per Clause 49 of the Listing Agreement(s) with Stock Exchanges and has complied in all material respects with features of the same.

A Report on the implementation of the Corporate Governance Code of listing agreement by the company is furnished below :

1. Company's Philosophy on Corporate Governance

Your company fully appreciates the object and need to implement the corporate governance code in its real sense. During the previous year under review the Corporate Governance activities initiated continued to be implemented and the company made all the necessary compliance in this regard. The company endeavors to further strengthen the same as its management believes that corporate performance in the long run is correlated to corporate governance. It is therefore committed to further improve the corporate governance practices in the company by laying emphasis on 'substance' of corporate governance over the 'form'.

2. Board of Directors

Company's Board presently consists of more than half of non-executive directors and half independent directors, in line with the stipulation laid by the Listing Agreement the board comprises of Three(3) Executive Directors, One(1) Non-Executive Director and Four(4) Independent Directors.

The Constitution of the Board of Directors is given below :

Sr.	NAME OF DIRECTOR	EXECUTIVE / INDEPENDENT / PROMOTER	No. of OTHER DIRECTORSHIP	MEMBERSHIP OF OTHER COMMITTEES	DESIGNATION
1.	Ramesh Kumar Kaile	Executive (Promoter)	NIL	Share Transfer Committee	Chairman & Managing Director
2.	Dhiraj Kaile	Executive (Promoter)	NIL	Share Transfer Committee	Whole Time Director
3.	Smt Krishna Kaile	Non-Executive (Promoter)	NIL	Audit Committee	Director
4.	Vikram Kaile	Executive	NIL	Share Transfer Committee	Whole Time Director
5.	Sunder Lal	Independent Non-Executive	NIL	Share Holders Committee Remuneration Committee	Director
6.	Shiv Nath	Independent Non-Executive	NIL	Audit Committee Share Holders Committee Remuneration Committee	Director
7.	Ravi Kumar	Independent Non-Executive	NIL	Audit Committee Share Holders Committee Remuneration Committee	Director
8.	Smt. Indu Kumar	Independent Non-Executive	NIL	-----	Director