
PERK PHARMACEUTICALS LIMITED

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

Notice is hereby given that the 30th Annual General Meeting of the share holders of **M/S PERK PHARMACEUTICALS LTD.** will be held on Thursday, 29th September, 2011 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 2011, and Directors & Auditors Report thereon.
2. To appoint a Director in place of Smt. Krishna Kaile, who retires by rotation and being eligible offers him self for reappointment.
3. To appoint a Director in place of Smt. Indu Kumar, who retires by rotation and being eligible offers him self for reappointment.
4. To appoint a Director in place of Shri. Vikram Kaile, who retires by rotation and being eligible offers him self for reappointment.
5. 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.

By Order of the Board of Directors

Place : Partapur, Meerut.
Dated : 14th July, 2011

(Dhiraj Kaile)
Chairman & Managing Director

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 Tuesday, 27th September' 2011 to Thursday, 29th September' 2011 (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 28th September' 2011 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 2003 - 2004.
- 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 2010 - 2011, and annexed with the director's report for the said financial year.

By Order of the Board of Directors

Place : Partapur, Meerut.
Dated : 14th July, 2011

(DHIRAJ KAILE)
Chairman & Managing Director

DIRECTORS' REPORT

To,
The Members,

Your Directors have pleasure in presenting the 30th Annual Report together with the Audited Accounts of the Company for the year ended 31.03.2011

| <u>CORPORATE RESULTS</u> : (Rs. in Lakhs) | 2010-2011 | 2009-2010 |
|--|---------------|---------------|
| Sales | 121.34 | 132.04 |
| Profit before Interest & Depreciation | 21.76 | 47.51 |
| Less: Interest | 0.14 | 0.30 |
| Profit after Interest | 21.62 | 47.21 |
| Less: Depreciation | 14.13 | 14.33 |
| Profit before Tax | 7.49 | 32.88 |
| Less: Provision for Taxation | --- | --- |
| Profit after Taxation | 7.49 | 32.88 |
| Add: Balance Brought Forward | (245.59) | (278.47) |
| Add: Depreciation written back | --- | -- |
| Profits available for appropriation | (238.10) | (245.59) |

DIRECTORS :

Smt. Krishna Kaile, Smt. Indu Kumar and Shri Vikram Kaile, Directors of Company retires by rotation at this ensuing Annual General Meeting but being eligible offers themselves for re-appointment.

DIVIDEND :

Due to wipe out the losses of pervious years of the Company, The Directors do not propose any Dividend for the year under review.

EXPANSION & FUTURE OUTLOOK :

The Company is planning to launch new products like the Calcium Range and enter the trading of basic drugs in coming months which should help to wipe out its losses The Company is in stabilizing its sales and its products also and the Company hopes to increase turnover and performance next year its Sales so as to give better results in the coming years.

NEW PRODUCT LAUNCHES :

The Company is planning new range of Calcium Group, Food Supplements and muscular relaxants in coming months, which should help to capture new markets. Now the company is also likely to enter new market in different parts of country and also planning to re-consider its market polices to penetrate the markets .

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.

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 2010-2011. 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 : 14th July, 2011
Place: Partapur, Meerut

(DHIRAJ KAILE)
CHAIRMAN &
MANAGING DIRECTOR

(VIKRAM KAILE)
WHOLE TIME DIRECTOR

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, 2011.

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 31.03.2011 | Year Ended 31.03.2010 |
|-------------------------------------|--------------------------------------|--------------------------|--------------------------|
| Power & Fuel Consumption | | | |
| 1. Electricity | | | |
| a) | Purchased | | |
| | Units | 37,425 | 38,421 |
| | Total Amount (Rs.) | 249,593.00 | 245,869.00 |
| | Rate/Unit (Rs.) | 6.67 | 6.40 |
| b) | Own Generation (Through D.G. Set) | | |
| | Units | 3,500 | 3,400 |
| | Units/Liter of Diesel Oil | 4.00 | 4.00 |
| | Cost/Units (Rs.) | 9.67 | 8.77 |

2. Coal - Not Applicable

For and on behalf of the Board

Place : Partapur, Meerut
Date : 14th July, 2011

(DHIRAJ KAILE)
CHAIRMAN &
MANAGING DIRECTOR

(VIKRAM KAILE)
WHOLE TIME DIRECTOR

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 (2) 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. | Dhiraj Kaile* | Executive (Promoter) | NIL | Share Transfer Committee | Chairman & Managing Director |
| 2. | Smt Krishna Kaile | Non-Executive (Promoter) | NIL | Audit Committee | Director |
| 3. | Vikram Kaile | Executive | NIL | Share Transfer Committee | Whole Time Director |
| 4. | Sunder Lal | Independent Non-Executive | NIL | Share Holders Committee Remuneration Committee | Director |
| 5. | Shiv Nath | Independent Non-Executive | NIL | Audit Committee Share Holders Committee Remuneration Committee | Director |
| 6. | Ravi Kumar | Independent Non-Executive | NIL | Audit Committee Share Holders Committee Share Transfer Committee Remuneration Committee | Director |
| 7. | Smt. Indu Kumar | Independent Non-Executive | NIL | ----- | Director |
| 8. | Shri R.K. Kaile* | Executive (Promoter) | NIL | Share Transfer Committee | Chairman & Managing Director |

*Note: Shri R.K. Kaile had been expired on dated 06.9.2010, and after death of Shri R. K. Kaile, Shri Dhiraj Kaile was appointed as Chairman cum Managing Director of the Company at the Board Meeting held on 08.09.2010.

Attendance of Each Director at the Board Meeting and last Annual General Meetings :

| NAME | No. of BOARD MEETING HELD | No. of BOARD MEETING ATTENDED | ATTENDANCE AT LAST A.G.M. |
|--------------------|---------------------------|-------------------------------|---------------------------|
| Ramesh Kumar Kaile | 2 | 2 | Present |
| Dhiraj Kaile | 8 | 8 | Present |
| Vikram Kaile | 8 | 7 | Present |
| Smt. Krishna Kaile | 8 | 6 | Present |
| Sunder Lal | 8 | 7 | Present |
| Shiv Nath | 8 | 8 | Present |
| Ravi Kumar | 8 | 8 | Present |
| Smt. Indu Kumar | 8 | 6 | Present |

The details of all Directors seeking Re-Appointment in the forthcoming A. G. M. are given below :

(In pursuance of Clause 49(VI)(A) of the Listing Agreement)

| Name of Director | Date of Birth | Date of Appointment | Qualification | Expertise in Specific Functional Areas | Directorship Held in other companies | Committee Position held in other companies |
|-------------------|---------------|---------------------|---------------|--|--------------------------------------|--|
| Shri Dhiraj Kaile | 28.11.1968 | 01.10.1993 | Graduate | Vast Experience in Trade of Pharmaceuticals Business | - | - |
| Shri Sunder Lal | 15.11.1952 | 31.05.2001 | Graduate | Vast Experience in Trade of Pharmaceuticals Business | - | - |
| Shri Shiv Nath | 20.08.1946 | 31.05.2001 | Graduate | Vast Experience in Trade of Pharmaceuticals Business | - | - |

No. of Meeting held during the year & dates

During the financial year 2010–2011 Eight (8) Board Meetings were held on 29.05.2010, 30.07.2010, 08.09.2010, 30.09.2010, 30.11.2010, 31.12.2010, 04.02.2011, 30.03.2011.

Information Supplied to the Board

The Directors are explained about all relevant information by the Managing Director at the Board Meetings on various vital matters affecting the company. Minutes of Audit Committee and other Committee of the Board are circulated at the Board Meetings, also information about compliance / non-compliance, if any with any regulatory / Statutory guidelines or with the listing requirements etc. is given at the Board Meetings.

Remuneration of Directors

The details of the remuneration is given below :

| Sr. | NAME OF DIRECTOR | DESIGNATION | REMUNERATION | PERIOD |
|-----|---------------------|---------------------|--|---------------------------------|
| 1. | Ramesh Kumar Kaile* | Managing Director | 20000/-P.M. + Perks equal to annual salary payable as per categories specified in Schedule XIII to the Companies Act. 1956 | 5 Years w.e.f. 30.05.2010 |
| 2. | Dhiraj Kaile | Whole Time Director | 20000/-P.M. + Perks equal to annual salary payable as per categories specified in Schedule XIII to the Companies Act. 1956 | 5 Years w.e.f. 30.05.2010 |
| 3. | Vikram Kaile | Whole Time Director | 20000/-P.M. + Perks equal to annual salary payable as per categories specified in Schedule XIII to the Companies Act. 1956 | 5 Years w.e.f. 30.05.2010 |

*Note: Shri R.K. Kaile had been expired on dated 06.9.2011, and death of Shri R. K. Kaile, Shri Dhiraj Kaile was appointed as Chairman cum Managing Director of the Company.

None of the Director is on the Board of any other company or member of any committee in any other committee, except in this company, and so reporting of their chairmanship / membership in other committee of other companies has not been mentioned.

COMMITTEES OF THE BOARD OF DIRECTORS

Audit Committee

As reported last year the Audit Committee was re-constituted on 31.01.2003. The re-constituted Audit Committee held four meetings in the financial year 2010-2011, and presently it comprises of :

| Sl. | Name of Director | Designation | Executive / Non-Executive / Independent | No. of Committee Meeting Held | Attendance of each Director |
|-----|--------------------|-------------|---|-------------------------------|-----------------------------|
| 1. | Sunder Lal | Chairman | Non-Executive & Independent | 4 | 4 |
| 2. | Smt. Krishna Kaile | Member | Non-Executive | 4 | 4 |
| 3. | Shiv Nath | Member | Non-Executive & Independent | 4 | 4 |
| 4. | Ravi Kumar | Member | Non-Executive & Independent | 4 | 4 |

Permanent Invitees – Representative of Auditors.

The Terms of references of the audit committee includes the following :

- a. To hold periodic discussions with the Statutory Auditors of the company concerning the accounts of the company, internal control, system, scope of audit & observations of the auditors / internal control systems.
- b. To review compliance with internal control systems.
- c. To Review the Quarterly, Half Yearly and Annual Financial Results of the company before submission to the board.
- d. To investigate into any matter in relation to items specified in Section 292(A) of the Company's Act 1956 or as may be referred to it by the Board and for this purpose to seek any relevant information contained in the records of the company and also seek external professional advice if necessary.
- e. To make recommendation to the Board on any matter relating to the financial management of the company including the audit reports.

Minutes of the Audit Committee Meetings are circulated to the members of the board, discussed and taken note of.

Share Holders Committee (Grievance)

The Share Holders Committee looks after complaints / grievances received from share holder's complaints / grievance received during the financial year 2010– 2011 was replied and settled. So no complaint is pending at the end of the year.

| | | | |
|----|--|---|--------------|
| 1. | Name of the Non-Executive Director Heading Committee | : | Shiv Nath |
| 2. | Name & Designation of Compliance Officer | : | Dhiraj Kaile |
| 3. | Member | : | Ravi Kumar |

Share Transfer Committee

Share Transfer Committee of the board of director of the company is empowered to Approve, Transfer, Transmission, Transposition, Issue of Duplicate Share Certificates etc. The committee meets periodically. It comprises of the following Directors :

1. Dhiraj Kaile
2. Vikram Kaile
3. Ravi Kumar
4. Smt. Krishna Kaile

Remuneration Committee

The Remuneration Committee of the Board of Directors comprises of the following Directors :

| | | |
|----|------------------|-----------------------------|
| 1. | Shri. Shiv Nath | Independent / Non-Executive |
| 2. | Shri. Sunder Lal | Independent / Non-Executive |
| 3. | Shri. Ravi Kumar | Independent / Non-Executive |

The committee had a meeting on March, 30th, 2011 which was attended by all members of the committee. In this meeting the committee reviewed the existing remuneration package of the Managing Directors as well as the whole time director.