



# **Samrat Pharmachem Limited**

**10th Annual Report  
2001-2002**

## Samrat Pharmachem Limited

10th Annual Report (2001-2002)

### **BOARD OF DIRECTORS**

<b>Shri Lalit Mehta</b>	Managing Director
<b>Shri Champak Parekh</b>	Jt. Managing Director
<b>Shri Rajesh Mehta</b>	Executive Director (Finance)
<b>Shri Hitesh Parekh</b>	Executive Director (Technical)
<b>Shri Jaswantra Mehta</b>	Director

### **AUDITORS**

Nalin S. Parekh & Co.  
Chartered Accountants  
302 Madhav Apts., Jawahar Road  
Opposite Ghatkopar Station-East  
Mumbai - 400 077

### **BANKERS**

The Saraswat Co-op Bank Ltd.  
Raja Shopping Centre  
New Nagardas Road, Andheri-East  
Mumbai - 400 069

Dena Bank  
GIDC Industrial Estate  
Ankleshwar - 393 002  
Gujarat.

Dena Bank  
Deepavali, 1st Floor,  
S. V. Road, Andheri-West,  
Mumbai - 400 058.

### **REGISTRARS & SHARE TRANSFER AGENTS**

Elpee Peripherals Private Limited  
B/17 Laxmi Shopping Centre, Ground Floor,  
Hirachand Desai Road, Ghatkopar - West,  
Mumbai - 400 086.

### **REGISTERED OFFICE AND FACTORY**

Plot no. A2/3445,  
GIDC Phase IV,  
Ankleshwar - 393 002,  
Gujarat.

### **CORPORATE OFFICE**

A/7 Sai Prasad, 2nd Floor,  
Teli Gali Cross Lane, Andheri [East],  
Mumbai - 400 069.

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### **NOTICE OF ANNUAL GENERAL MEETING :**

NOTICE is hereby given that the TENTH ANNUAL GENERAL MEETING of the Members of the Company will be held on Saturday, the 28th September, 2002 at 1.00 p.m. at the Registered Office of the Company at Plot No. A2/3445, GIDC Phase IV, Ankleshwar - 393 002, Gujarat to transact the following business.

### **ORDINARY BUSINESS :**

1. To consider and adopt the Audited Balance Sheet as at 31st March 2002 and the Profit and Loss Account of the company for the year ended as on that date, together with Directors' and Auditors' Reports thereon.
2. To appoint a Director in place of Mr. Rajesh Mehta, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint Auditors' and fix their remuneration.

### **SPECIAL BUSINESS :**

4. To consider and if thought fit, to pass with or without modification, the following as an Ordinary Resolution.

"RESOLVED THAT the Company hereby accords its approval and consent under section 198, 269, 309 and other applicable provisions, if any, of the Companies Act, 1956 and all other applicable statutory provisions, if any, to the re-appointment of Mr. Lalit Damodar Mehta as Managing Director of the Company and to his receiving remuneration, benefits and amenities for a period of 5 years commencing from 1st April, 2003 to 31st March, 2008 upon the terms, conditions and stipulations contained in an agreement to be entered into between the Company and Mr. Lalit Damodar Mehta, a draft whereof is placed before the meeting and for the purposes of identification, is subscribed by the Chairman hereof, which agreement is hereby specifically sanctioned with liberty to the Board of Directors to alter and vary the terms and conditions of the said appointment and/or remuneration and/or agreement as may be agreed to between the Board of Directors and Mr. Lalit Damodar Mehta, provided however that the remuneration payable to Mr. Lalit Damodar Mehta shall not exceed the maximum limits for payment of managerial remuneration in accordance with the laws, policies, rules, regulations or guidelines in force from time to time."

"RESOLVED FURTHER THAT the Board of Directors be and it is hereby authorised to take all necessary or desirable steps for the aforesaid purpose and matters incidental thereto"

5. To consider and if thought fit, to pass with or without modification, the following as an Ordinary Resolution.

"RESOLVED THAT the Company hereby accords its approval and consent under section 198, 269, 309 and other applicable provisions, if any, of the Companies Act, 1956 and all other applicable statutory provisions, if any, to the re-appointment of Mr. Champak Kantilal Parekh as Joint Managing Director of the Company and to his receiving remuneration, benefits and amenities for a period of 5 years commencing from 1st April, 2003 to 31st March, 2008 upon the terms, conditions and stipulations contained in an agreement to be entered into between the Company and Mr. Champak Kantilal Parekh, a draft whereof is placed before the meeting and for the purposes of identification, is subscribed by the Chairman hereof, which agreement is hereby specifically sanctioned with liberty to the Board of Directors to alter and vary the terms and conditions of the said appointment and/or remuneration and/or agreement as may be agreed to between the Board of Directors and Mr. Champak Kantilal Parekh, provided however that the remuneration payable to Mr. Champak Kantilal Parekh shall not exceed the maximum limits for payment of managerial remuneration in accordance with the laws, policies, rules, regulations or guidelines in force from time to time."

"RESOLVED FURTHER THAT the Board of Directors be and it is hereby authorised to take all necessary or desirable steps for the aforesaid purpose and matters incidental thereto"

6. To consider and if thought fit, to pass with or without modification, the following as an Ordinary Resolution.

"RESOLVED THAT the Company hereby accords its approval and consent under section 198, 269, 309 and other applicable provisions, if any, of the Companies Act, 1956 and all other applicable statutory provisions, if any, to the re-appointment of Mr. Rajesh Lalit Mehta as Whole-time Director - Finance of the Company and to his receiving remuneration, benefits and amenities for a period of 5 years commencing from 1st April, 2003 to 31st March, 2008 upon the terms, conditions and stipulations contained in an agreement to be entered into between the Company and Mr. Rajesh Lalit Mehta, a draft whereof is placed before the meeting and for the purposes of identification, is subscribed by the Chairman hereof, which agreement is hereby specifically sanctioned with liberty to the Board of Directors to alter and vary the terms and conditions

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of the said appointment and/or remuneration and/or agreement as may be agreed to between the Board of Directors and Mr. Rajesh Lalit Mehta, provided however that the remuneration payable to Mr. Rajesh Lalit Mehta shall not exceed the maximum limits for payment of managerial remuneration in accordance with the laws, policies, rules, regulations or guidelines in force from time to time."

"RESOLVED FURTHER THAT the Board of Directors be and it is hereby authorised to take all necessary or desirable steps for the aforesaid purpose and matters incidental thereto"

7. To consider and if thought fit, to pass with or without modification, the following as an Ordinary Resolution.

"RESOLVED THAT the Company hereby accords its approval and consent under section 198, 269, 309 and other applicable provisions, if any, of the Companies Act, 1956 and all other applicable statutory provisions, if any, to the re-appointment of Mr. Hitesh Champak Parekh as Whole-time Director - Technical of the Company and to his receiving remuneration, benefits and amenities for a period of 5 years commencing from 1st April, 2003 to 31st March, 2008 upon the terms, conditions and stipulations contained in an agreement to be entered into between the Company and Mr. Hitesh Champak Parekh, a draft whereof is placed before the meeting and for the purposes of identification, is subscribed by the Chairman hereof, which agreement is hereby specifically sanctioned with liberty to the Board of Directors to alter and vary the terms and conditions of the said appointment and/or remuneration and/or agreement as may be agreed to between the Board of Directors and Mr. Hitesh Champak Parekh, provided however that the remuneration payable to Mr. Hitesh Champak Parekh shall not exceed the maximum limits for payment of managerial remuneration in accordance with the laws, policies, rules, regulations or guidelines in force from time to time."

"RESOLVED FURTHER THAT the Board of Directors be and it is hereby authorised to take all necessary or desirable steps for the aforesaid purpose and matters incidental thereto"

MEMBER OR MEMBERS, AS THE CASE MAY BE, OF THE COMPANY.

2. Proxies, if any, in order to be effective, must be received at the Registered Office of the Company at Plot No. A2/3445, GIDC Phase IV, Ankleshwar - 393 002, Gujarat, not less than 48 hours before the commencement of the meeting. Proxies shall not have any right to speak at the meeting.
3. The Register of Members and the Share Transfer Books of the Company will remain closed for a period of 15 days from 14th September 2002 to 28th September 2002 (both days inclusive).
4. Members are requested to kindly notify to The Share & Secretarial Department, Samrat Pharmachem Limited, A/7 Sai Prasad, 2nd Floor, Teli Gali Cross Lane, Andheri [East], Mumbai - 400 069, immediately of any change in their addresses.
5. Members are requested to quote their Folio Numbers in all their correspondence.
6. Members desirous of having any information regarding accounts are requested to write to the Company at least 7 days in advance of the date of Annual General Meeting so as to enable the Management to keep the information ready.
7. Members are requested to bring their copies of the Annual Report to the Meeting.
8. Members are requested to bring with them the attendance slip and hand it over at the entrance duly signed by them.

**By Order of the Board of Directors  
For Samrat Pharmachem Limited**

**Lalit Mehta  
Managing Director**

**Champak Parekh  
Jt Managing Director**

**Place : Mumbai**

**Dated : 31st May, 2002**

**NOTES :**

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY OR PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY OR PROXIES SO APPOINTED NEED NOT BE A

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### ANNEXURE TO NOTICE

Explanatory Statement Pursuant to Section 173(2) of the Companies Act, 1956

Item No. 4, 5, 6, 7

At the meeting of the Board of Directors held on 31st May, 2002, the following four whole-time directors were re-appointed for the period of five years with effect from 1st April, 2003 to 31st March, 2008:

Name of the Director	Re-appointed as
Mr. Lalit D. Mehta	Managing Director
Mr. Champak K. Parekh	Jt Managing Director
Mr. Rajesh L. Mehta	Wholetime Director (Finance)
Mr. Hitesh C. Parekh	Wholetime Director (Technical)

#### Nature of Duties :

Mr. Lalit D. Mehta, Managing Director, shall look after the overall business, administrative, commercial, marketing, technical, financial matters and such other related functions of the Company.

Mr. Champak K. Parekh, Joint Managing Director, shall look after the overall business, administrative, commercial, marketing, technical, financial matters and such other related functions of the Company.

Mr. Rajesh L. Mehta, Wholetime Director (Finance), shall look after the financial matters and such other related functions of the Company.

Mr. Hitesh C. Parekh, Wholetime Director (Technical), shall look after the technical matters and such other related functions of the Company.

#### Remuneration :

The directors shall be entitled to the following emoluments, benefits and perquisites during the period of their employment subject to the ceiling limits laid down in Section 198, Section 309 and Schedule XIII of the Companies Act, 1956.

#### Salary

Name of the Director	Salary scale
Mr. Lalit D. Mehta	Rs. 14,000-1,000-19,000
Mr. Champak K. Parekh	Rs. 14,000-1,000-19,000
Mr. Rajesh L. Mehta	Rs. 11,000-1,000-16,000
Mr. Hitesh C. Parekh	Rs. 11,000-1,000-16,000

#### Perquisites :

Perquisites shall be restricted to an amount equal to annual salary. The perquisites payable to the Managing Director, Joint Managing Director, Wholetime Director (Finance) and Wholetime Director (Technical) are as under:

The Company shall provide for, or pay the expenses for, a car with driver and telephone facility at the residence of the Managing Director, Joint Managing Director, Wholetime Director (Finance) and Wholetime Director (Technical). Provision of, or payment of expenses of, a car for use on the Company's business and telephone at residence will not be considered as perquisites. Personal long distance calls on telephone and use of the car for private purposes shall be billed by the Company to the director.

Minimum Remuneration: Where in any financial year, the Company has no profits or its profits are inadequate, the remuneration payable will be in accordance with the provisions of Section II of Part II of Schedule XIII to the Companies Act, 1956, as may be amended from time to time.

In the event of any increase in the limits of the emoluments, benefits and perquisites payable in accordance with the laws, policies, rules, regulations or guidelines in force from time to time, the Company may, in its discretion, increase the remuneration payable to them, subject to obtaining such approvals as may be required.

Sitting Fees: No sitting fees will be paid to the appointee for attending the meeting of the Board of Directors or committee thereof of the Company.

#### Other Terms :

- They shall not become interested or otherwise be concerned directly or through their spouse and/or minor children in any selling agency of the Company without the prior approval of the Central Government.
- They shall be entitled to re-imbursement of all actual traveling, lodging & boarding expenses and entertainment expenses reasonably incurred in connection with the business of the Company.
- They shall observe secrecy with regard to information acquired by him in the course of his appointment and shall not use the same for his own purpose either during the currency of this agreement or thereafter.

In compliance with the applicable provisions of the Companies Act, 1956, Ordinary Resolution in terms as set out in items 4, 5, 6 & 7 of the accompanying Notice are now being placed before the Members in the General Meeting for their approval.

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Except Mr. Lalit Damodar Mehta, Mr. Champak Kantilal Parekh, Mr. Rajesh Lalit Mehta and Mr. Hitesh Champak Parekh no other Director of the Company is concerned or interested in the said Ordinary Resolutions.

This Explanatory Statement is and should be treated as an abstract under section 302 of the Companies Act, 1956, of the Agreements to be entered into between the Company and Mr. Lalit Damodar Mehta, Mr. Champak Kantilal Parekh, Mr. Rajesh Lalit Mehta and Mr. Hitesh Champak Parekh

**By Order of the Board of Directors  
For Samrat Pharmachem Limited**

**Lalit Mehta  
Managing Director**

**Champak Parekh  
Jt Managing Director**

**Place : Mumbai**

**Dated : 31st May, 2002**





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### DIRECTORS' REPORT

#### TO THE MEMBERS :

Your Directors have pleasure in presenting the Tenth Annual Report with audited accounts for the year ended 31st March 2002.

#### FINANCIAL PERFORMANCE :

Particulars	31 March 2002 Rs.	31 March 2001 Rs.
Turnover	128,811,093	135,888,480
Profit before tax	259,254	251,168
Provision for tax	-12,707	-87,201
Net Deferred Tax Liability for current year	-93,149	0
Profit after tax	153,398	163,967
Profit & Loss account		
Balance brought forward	7,934,598	7,771,903
Deferred Tax Liability of previous years	-1,403,918	0
Tax adjustment of previous year	-1,215	-1,272
Balance carried to Balance Sheet	6,682,863	7,934,598

#### OPERATIONS :

Your company has performed well during the year in terms of Sales. In spite of difficult business environment, the Company achieved a turnover of Rs. 1288.11 Lacs. Production of 223.13 tonnes of pharmaceutical bulk drugs & chemicals was achieved during the year.

#### DIVIDEND :

In order to conserve the resources, your Directors do not recommend payment of Dividend for the year.

#### EXPORTS :

During the year 2001-2002 your company's export division registered sales of Rs. 72.71 lacs. Your Company has initiated several export promotion measures to increase exports. The products of your Company have been well accepted in the international market and the Company expects better export turnover in the near future.

#### DEMATERIALISATION :

The equity shares of the Company have been dematerialized by joining the depositories viz. National

Securities Depository Limited (NSDL) & Central Depository Services (India) Limited (CDSL). The ISIN No. allotted to the Company is INE103E01016.

#### CORPORATE GOVERNANCE :

The Corporate Governance code is applicable to your Company from 1st April 2003. Your directors, as an investor friendly measure, are closely monitoring grievances and taking effective steps to broad base the Board of the Company.

#### LISTING OF SHARES :

The Company's shares are listed on the Bombay Stock Exchange, The Ahmedabad Stock Exchange, The Baroda Stock Exchange, Saurashtra Kutch Stock Exchange & Pune Stock Exchange. It has paid the listing fees at all the stock exchanges for the period upto 31st March 2003. Your Company has not been delisted on any of these exchanges for non-payment of listing fees.

#### PARTICULARS OF EMPLOYEES :

The company does not have any employee whose particulars are required to be given under section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975, as amended upto date.

#### DISCLOSURE OF PARTICULARS :

Information as per 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 relating to conservation of energy, technology absorption, foreign exchange earnings and outgo are given in Annexure forming part of this report.

#### INSURANCE :

The assets of the company have been adequately insured against the risk of fire & other risks.

#### DIRECTORS :

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company, Mr. Rajesh Mehta retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment.

The tenure of Whole Time Director of the Company Viz. Mr. Lalit Mehta, Mr. Champak Parekh, Mr. Rajesh Mehta & Mr. Hitesh Parekh will expire on 31st March, 2003. It is proposed to re-appoint Whole Time Directors on the revised terms as detailed in the explanatory statement annexed to the Notice and in compliance of Schedule XIII Part II as amended by CLA Circular / Notification dated 16th January, 2002.