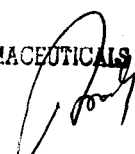


# **YENKEY**

**DRUGS AND PHARMACEUTICALS LIMITED**



**FOR YENKEY DRUGS AND PHARMACEUTICALS LTD.**

  
Managing Director

**14th  
Annual Report  
2002-2003**

YENKEY DRUGS AND PHARMACEUTICALS LIMITED

---

**BOARD OF DIRECTORS**

Mr. NUKA VENKAT NARENDER	Chairman & Managing Director
Mr. NUKA HARIPRASAD YADAV	Executive Director
Mr. GADULA GOPALA YADAV	Director
Mr. I SESHAGIRI RAO	Director
Mr. V.T.CARYULU	Director
Miss. M. USHA RANI	Director

**AUDITORS**

M/s. JAWAHAR AND ASSOCIATES  
Sky Lark Apartments,  
Basheerbagh,  
HYDERABAD-500 029.

Report  Junction.com

**REGISTERED OFFICE**

A-8, Madhura Nagar,  
Ameerpet,  
HYDERABAD – 500 038.

**BANKERS**

STATE BANK OF INDIA,  
Overseas Branch,  
Gunfoundry, Hyderabad.

**FACTORY**

Survey No.14, Gadda Potharam,  
Jinnaram Mandal,  
Medak District.

**STOCK EXCHANGES**

The Stock Exchange, Mumbai.  
The Hyderabad Stock exchange.

**YENKEY DRUGS AND PHARMACEUTICALS LIMITED**

---

**NOTICE**

Notice is hereby given that the **Fourteenth Annual General Meeting** of the Members of the **Yenkey Drugs & Pharmaceuticals Limited** will be held at **3.00 P.M. on Tuesday 30<sup>th</sup> December, 2003** at Functions Plaza, Kachiguda, Hyderabad to transact the following items of business:

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31<sup>st</sup> March, 2003 and the Profit and Loss Account for the financial year ended on that date and the Report of Directors and the Auditors thereon.
2. To appoint a Director in place of Mr.G.Gopal yadav, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. N. Hariprasad Yadav, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Auditors to hold the office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting and to fix their remuneration.

**SPECIAL BUSINESS:**

**5. APPOINTMENT OF MR. I. SESHAGIRI RAO, AS DIRECTOR OF THE COMPANY**

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

"RESOLVED THAT Mr. I.Seshagiri Rao, who was co-opted as an Additional Director of the Company by the Board of Directors pursuant to the provisions of Section 260 of the Companies Act, 1956, and who holds office as such until the date of the ensuing Annual General Meeting and in respect of whom the Company has received a notice in writing in compliance with the provisions of the Section 257 of the Companies Act, 1956 proposing his candidature for the office of a director be and is hereby appointed as Director of the Company, liable to retire by rotation."

**6. APPOINTMENT OF MR. V.T. CHARYULU AS DIRECTOR OF THE COMPANY**

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

"RESOLVED THAT Mr.V.T. Charyulu, who was co-opted as an Additional Director of the Company by the Board of Directors pursuant to the provisions of Section 260 of the Companies Act, 1956, and who holds office as such until the date of the ensuing Annual General Meeting and in respect of whom the Company has received a notice in writing in compliance with the provisions of the Section 257 of the Companies Act, 1956 proposing his candidature for the office of a director be and is hereby appointed as Director of the Company, liable to retire by rotation."

**YENKEY DRUGS AND PHARMACEUTICALS LIMITED**

---

**7. APPOINTMENT OF MISS. M. USHA RANI AS DIRECTOR OF THE COMPANY**

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

"RESOLVED THAT Miss. M.Usha Rani, who was co-opted as an Additional Director of the Company by the Board of Directors pursuant to the provisions of Section 260 of the Companies Act, 1956, and who holds office as such until the date of the ensuing Annual General Meeting and in respect of whom the Company has received a notice in writing in compliance with the provisions of the Section 257 of the Companies Act, 1956 proposing her candidature for the office of a director be and is hereby appointed as Director of the Company, liable to retire by rotation."

**By order of the Board**

**N.V. NARENDER**

**CHAIRMAN AND MANAGING DIRECTOR**

**Place: Hyderabad,**

**Date: 15.12.2003**

**NOTES:**

1. A MEMBER ENTITLED TO ATTEND AND TO VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND SUCH A PROXY NEED NOT BE A MEMBER OF THE COMPANY. Proxies in order to be effective must be received at the Company's Registered Office not less than 48 hours before the meeting.
2. An Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, in respect of the businesses under item no's 5, 6 & 7 is annexed thereto.
3. The Register of Members and the Share Transfer Books remained closed from 26<sup>th</sup> September, 2003 to 30<sup>th</sup> September, 2003 (both days inclusive).

**EXPLANATORY STATEMENT  
(Pursuant to Section 173(2) of the Companies Act)**

**Item No.5**

The Board inducted Mr. I.Seshagiri Rao, as an Additional Director of the Company in order to broad-base the Board with effect from 28<sup>TH</sup> Januray, 2003. Pursuant to Section 260 of the Companies Act, 1956. Mr. I.Seshagiri Rao holds office of director upto the date of the ensuing Annual General Meeting.

Further, Mr.I.Seshagiri Rao is a Chemical engineer with an experience of 35 years. Due to his rich experience, the Board feels that he should be a director liable to retire by rotation. Further

**YENKEY DRUGS AND PHARMACEUTICALS LIMITED**

---

the Company has also received a special notice in writing from a member along with an amount of Rs.500/- as per the provisions of Section 257 of the Companies Act, 1956. Since, the appointment of a director under Section 257 of the Companies Act, 1956 requires the approval of the members in their meeting the Board commends this resolution for your approval.

None of the Directors except Mr. I.Seshagiri Rao is interested in this resolution.

**Item No.6**

The Board inducted Mr. V.T.Charyulu, as an Additional Director of the Company in order to broad-base the Board with effect from 28<sup>TH</sup> Januray, 2003. Pursuant to Section 260 of the Companies Act, 1956. Mr. V.T.Charyulu, holds office of director upto the date of the ensuing Annual General Meeting.

Further, Mr.V.T.Charyulu, has done graduation in Commerce. He has an experience of 20 years in the Chemical Industry, due to his rich experience, the Board feels that he should be a director liable to retire by rotation. Further the Company has also received a special notice in writing from a member along with an amount of Rs.500/- as per the provisions of Section 257 of the Companies Act, 1956. Since, the appointment of a director under Section 257 of the Companies Act, 1956 requires the approval of the members in their meeting the Board commends this resolution for your approval.

None of the Directors except Mr. V.T.Charyulu, is interested in this resolution.

**Item No.7**

The Board inducted Miss M.Usha Rani as an Additional Director of the Company in order to broad-base the Board with effect from 28<sup>TH</sup> Januray, 2003. Pursuant to Section 260 of the Companies Act, 1956. Miss. M.Usha Rani, holds office of director upto the date of the ensuing Annual General Meeting.

Further, Miss M.Usha Rani has done Post Graduation in Organic Chemistry. She has got an experience of 15 years, the Board feels that she should be a director liable to retire by rotation. Further the Company has also received a special notice in writing from a member along with an amount of Rs.500/- as per the provisions of Section 257 of the Companies Act, 1956. Since, the appointment of a director under Section 257 of the Companies Act, 1956 requires the approval of the members in their meeting the Board commends this resolution for your approval.

None of the Directors except Miss M.Usha Rani is interested in this resolution.

**By order of the Board**

**N.V. NARENDER**

**CHAIRMAN AND MANAGING DIRECTOR**

**Place: Hyderabad,**

**Date: 15.12.2003**

**YENKEY DRUGS AND PHARMACEUTICALS LIMITED**

---

**ADDITIONAL INFORMATION ON DIRECTORS RETIRING BY ROTATION AND SEEKING RE-APPOINTMENT AT THE ANNUAL GENERAL MEETING IN TERMS OF CLAUSE 49 OF THE LISTING AGREEMENT**

Mr. I.Seshagiri Rao has done B.Tech in Chemical Engineering. He was a retired Chief General Manager of APIDC and also worked in IDPL. He is a Chemical Engineer with 35 years of experience in the field of Chemical Engineering.

Mr. V.T.Charyulu has done Graduation in Commerce. He worked in SIRIS Pharmaceuticals. He has an experience of 20 years in the field of Chemical Industry.

Miss.M.Usha Rani has Post Graduation in Organic Chemistry. She worked NATCO Pharma and got an experience of 15 years in the field of Chemical Industry.

Mr. G.Gopal Yadav, is a businessman, he has got rich experience in trading activities of Bulk Drugs and having 25 years experience in the same field.

Mr. N.Hari Prasad Yadav is a retired government officer and he has got 30 years experience in the field of Management and Administration.

## YENKEY DRUGS AND PHARMACEUTICALS LIMITED

**DIRECTORS' REPORT**

To,  
The Members,

Your Directors have pleasure in presenting the **FOURTEENTH ANNUAL REPORT** together with the Audited Accounts of the company for the financial year ended 31<sup>st</sup> March, 2003.

**FINANCIAL RESULTS:****(Rs In Lakhs)**

	<b>For the Financial Year 2002-2003</b>	<b>For the Financial Year 2001-2002</b>
Income from operations	133.36	152.46
Other Income	-----	-----
Total Expenditure	187.08	418.47
<b>Profit before Depreciation and taxation</b>	<b>(58.06)</b>	<b>(242.43)</b>
Interest	47.48	89.46
Depreciation	12.65	18.64
Provision for tax	-	-
<b>Net Profit/ (Loss)</b>	<b>(70.72)</b>	<b>(261.07)</b>
Paid up Equity Share Capital	463.53	463.53
Reserves & Surplus	33.37	36.06

**REVIEW OF OPERATIONS:**

During the year under review, your company has achieved a turnover of Rs 133.36 Lacs and incurred a loss of Rs 58.06 Lacs. Your Directors agree that the Company not achieved the targeted results because of the following reasons:

1. To meet the operation expenses of the company tied up with Aurobindo Pharma and Max India Ltd., Mysore for converting their valuable products.
2. The Company started manufacturing Trityl Chloride and marketed effectively.
3. Non-realisation of dues from the debtors has effected the liquidity.
4. The Company is spending on R&D for new molecules of Cosmetic Intermediates for U.S.A. and Switzerland Market.

Your directors hope that the new products and tie up with International Companies, the Company will come out of the debt and achieve good Turnovers in the coming Years.

**DIVIDEND:**

Due to absence of profits for the financial year ending 31<sup>st</sup> March, 2003, Directors express their inability to recommend any dividend for the said financial year. Directors regret the same, but are hopeful that the performance of the Company would improve in the years to come.

**DIRECTORS:**

Mr.G.Gopal yadav and N. Hari Prasad , Directors of your company retire by rotation at the ensuing Annual General Meeting and being eligible, offers themselves for reappointment.

## YENKEY DRUGS AND PHARMACEUTICALS LIMITED

---

Mr.I.Seshagiri Rao, Mr. V.T.Charyulu and Miss. M.Usha Rani were co-opted as additional directors on the Board of the Company in order to broad base the Board. As per the provisions of Section 260 of the Companies Act, 1956, they vacate the office as Additional Directors at the forthcoming Annual General Meeting and have been proposed by a member under Section 257 of the Companies Act, 1956 for appointment as director at the forthcoming Annual General Meeting.

### **DIRECTORS' RESPONSIBILITY STATEMENT:**

The Directors of your Company hereby report:

- (i) that in the preparation of Annual Accounts for the financial year ended 31<sup>st</sup> March, 2003, the applicable accounting standards have been followed along with the proper explanation relating to material departures, if any, there from;
- (ii) that the directors have selected such accounting policies and applied them consistently and made judgments 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 ended 31<sup>st</sup> March, 2003 and of the profit and loss of the company for that period:
- (iii) that the 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) that the directors have prepared the annual accounts on a going concern basis.

### **AUDITORS:**

M/s. Jawahar and Associates, Chartered Accountants, the Statutory Auditors of the company retire at the conclusion of ensuing Annual General Meeting and being eligible, offer themselves for re-appointment. They have submitted a Certificate pursuant to the provisions of section 224 (1B) of the Companies Act, 1956, that if their re-appointment be made for another term will be within the prescribed limits.

### **FIXED DEPOSITS:**

The company has neither accepted nor renewed any deposits falling within the provisions of Section 58A of the Companies Act, 1956 read with the Companies (Acceptance of Deposits) Rules, 1975 from the public during the financial year.

### **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:**

A Statement giving details of Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo in accordance with the provisions of Section 217(1)(e) of the Companies Act, 1956, read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules 1988, is set out in Form - 'A' and Form - 'B' which is enclosed as Annexure - A to this report.

### **PARTICULARS OF EMPLOYEES:**

Pursuant to Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules 1975, as amended, no employee of your Company is in receipt of remuneration exceeding Rs.2,00,000/- per month or Rs.24,00,000/- per annum during the financial year.



## **YENKEY DRUGS AND PHARMACEUTICALS LIMITED**

---

### **MANAGEMENT DISCUSSION & ANALYSIS:**

Yenkey Drugs and Pharmaceuticals Ltd., is gearing up to meet the challenges of Bulk Drugs Industry. The Company R&D is strong enough to meet the requirements of Foreign Buyers.

Yenkey Drugs and Pharmaceuticals Ltd., can withstand any kind of Shocks which normally forced by Bulk Drugs Industry. The Company is facing working capital crunch, which can overcome by equity participation by the Investors.

### **CORPORATE GOVERNANCE:**

In terms of Clause 49 of the Listing Agreement, Corporate Governance is applicable to the Company from the current financial year and the company has implemented the same. A Separate Report on Corporate Governance is enclosed as Annexure-B to this report.

### **LISTING FEE:**

Your Company's shares are listed on the Hyderabad Stock Exchange and Mumbai Stock Exchange. Your company is regular in payment of listing fee.

### **ACKNOWLEDGEMENTS:**

Your Directors would like to place on record their sincere appreciation and gratitude to the Company's Customers, Bankers, Shareholders for their support and co-operation. Your Directors express their heartfelt gratitude to the employees for their exceptional commitment and loyalty to the company.

**By order of the Board**

**N.V. NARENDER**  
**CHAIRMAN AND MANAGING DIRECTOR**

**Place: Hyderabad,**  
**Date: 15.12.2003**

## YENKEY DRUGS AND PHARMACEUTICALS LIMITED

## ANNEXURE – A

## FORM - "A"

## ANNEXURE TO THE DIRECTORS REPORT

Information under 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, and forming part of the Directors Report:

**A. Conservation Of Energy**

- a) Energy conservation measures taken: The Company is very careful in using the power to reduce the cost of maintenance and conserve the resources.
- b) Additional Investments and proposals, if any, being implemented for reduction of consumption of energy; Nil
- c) Impact of the clause (1) and (2) above for reduction of energy consumption and consequent impact on the production of goods: N.A

## FORM A

**A. Power and fuel consumption**

	Current year	Previous year
1. Electricity		
a. Purchased		
Units	2,40,251	46,369
Total amount	Rs.10,91,772/-	Rs.1,78,552/-
Rate / unit	4.54	3.85
b. Own generation		
i. Through diesel generator		
Units	7215 Ltrs	49904
Total Amount	Rs.144309/-	Rs. 903204/-
Cost / unit	20.00	18.10
ii. Through steam turbine / generator	NIL	Nil
Units		
Total Cost		
Cost / unit		
2. Coal		
Quantity	295Mt	108.68 Mt.
Total Cost	Rs.6,48,803/-	Rs. 2499660/-
Average rate	Rs.2200/-	2300/-
3. Furnace Oil		
Quantity	NIL	Nil
Total Cost		
Average rate		
4. Other internal generation		
Quantity		
Total Cost	Nil	Nil
Rate / unit		