

19th
ANNUAL REPORT
2007 - 2008



Report

ion.com

For Yenkey Drugs & Pharmaceuticals Ltd

Niven
Authorised Signatory

YENKEY

DRUGS AND PHARMACEUTICALS LTD

===== YENKEY DRUGS AND PHARMACEUTICALS LIMITED =====

YENKEY DRUGS AND PHARMACEUTICALS LIMITED

BOARD OF DIRECTORS

SRI N.V.NARENDAARR	: Chairman and Managing Director
SRI G. GOPAL YADAV	: Director
Miss. M. USHA RANI	: Technical director
SRI NITESH VIJAY VARGIYA	: Director
DR. R. MALLIKARJUN RAO	: Director
SRI MILIND DESAI	: Director
SRI MSR AYYANGAR	: Director
DR. A. RAMAKRISHNAIAH	: Director

AUDITORS

M/S. JAWAHAR AND ASSOCIATES

C-5, SKY LARK APATMENTS,
BASHEERBAGH, HYDERABAD-500 029.

REGISTERED OFFICE

1-B/12, S.V. Co-Op. Industrial Estate,
Balanagar, Hyderabad-500 072.

FACTORY

SURVEY NO.14, GADDA POTHARAM,
JINNARAM MANDAL, MEDAK DIST.

STOCK EXCHANGES

THE STOCK EXCHANGE, MUMBAI.

-----YENKEY DRUGS AND PHARMACEUTICALS LIMITED-----

NOTICE

Notice is hereby given that the 19th Annual General Meeting of the Members of the M/s. **Yenkey Drugs & Pharmaceuticals Limited** will be held on Monday the 29th December, 2008 at J.S. Krishnamurthy Hall, FAPCI Building, A.C. Guards, Red Hills, Hyderabad, A.P. at 3.00 P.M. to transact the following items of business:

ORDINARY BUSINESS:

1. To receive and adopt the Audited Balance Sheet of the Company as at 31st March, 2008 and the Profit and Loss Account for the year ended on that date and the report of Directors' and the Auditors' Report thereon.
2. To appoint a Director in place of Sri. G. Gopal Yadav, who retires by rotation and being eligible, offers himself for re-election.
3. To appoint a Director in place of Ms. Usha Rani, who retires by rotation and being eligible, offers himself for re-election
4. To appoint Auditors of the Company and to consider and if thought fit to pass with or without modification the following resolution as an ordinary resolution.

"RESOLVED THAT **M/s.Jawahar & Associates**, Chartered Accountants, the retiring Auditors, who have offered their services and who are not disqualified to act as Auditors of the company under section 224 (1B) of the Companies Act, 1956 be and hereby appointed as Auditors of the company and hold office until the conclusion of the next Annual General Meeting on such remuneration as shall be fixed by the Board of Directors."

SPECIAL BUSINESS:

5. To change the name of the company i.e from **Yenkey Drugs and Pharmaceuticals Limited** to **Venmax Drugs and Pharmaceuticals Limited**.

"Resolved that the name of the Company **Yenkey Drugs and Pharmaceuticals Limited** will be changed to **VENMAX DRUGS AND PHARMACEUTICALS LIMITED**."

"Further Resolved that Sri N.V.Narendaarr, the Managing Director of the Company is hereby authorized to file with the appropriate authorities about the name change of the Company".

10.2 Capital Restructuring

1. The Company has an equity Capital base of 463.53 lacs divided into 46,35,300 equity shares of Rs.10/- each as on 31.03.2006. The company proposed to restructure the capital base by reducing the 46, 35,300 equity share of Rs.10/- each to 23,17,650 shares of Rs.10/- each i.e by 50%. The capital reduction will facilitate the company to reduce the accumulated losses by Rs.231.77 lacs from Rs.561.64 lacs
2. The existing equity share capital of the company to be reduced by 50% and then equity two equity shares of Rs.10/- shall be consolidated in to one equity share of Rs.10/- fully paid up in terms of Sec 18(2)(f) of the SICA without the requirement of following the provisions of Section 100 – 103 of the Companies Act, 1956 and SEBI or any other guidelines.
3. After the reduction of existing equity share capital as above, equity shares shall be issued without the requirement of following the provisions of Sec 51 (1A), 295,372A and other applicable provisions of Companies Act, 1956, SEBI guidelines for preferential allotment of shares and without

YENKEY DRUGS AND PHARMACEUTICALS LIMITED

following the requirement of SEBI (Substantial Acquisition of Shares and Takeover regulations 1997, SEBI (Disclosures & Investor Protection) Guidelines, 2000, SEBI (Central Listing Authority) Regulations, 2003 and ceiling on promoters holding from the applicability of which the company/ strategic investor is exempted

"Resolved that paid up capital of Rs.463.53 lakhs divided in to 46,35,300 shares of Rs.10/- each is reduced to Rs/231.765 lakhs divided into 23,17,650 shares of Rs.10/- each"

"Further resolved that Mr. N.V.Narendaarr, the Managing director of the Company Is hereby authorized to complete all the necessary formalities about reduction of share capital of the Company.

BY ORDER OF THE BOARD

For YENKEY DRUGS AND PHARMACEUTICALS LIMITED

Sd/-

N.V. NARENDAARR

Chairman & Managing Director

Place: Hyderabad

Date : 30th September, 2008

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. The Register of Members and the Share Transfer Books remained closed from 27th December, 2008 to 29th DECEMBER, 2008 (both days inclusive).
3. Members/proxies are requested to fill in the enclosed attendance slip and deposit the same at the entrance of the meeting gate.
4. Members are requested to intimate any change of address to the Company / Share Transfer Agents.
5. Pursuant to the requirements of the Listing Agreement of Stock Exchanges on corporate governance, the information about the Directors proposed to be appointed/ re-appointed is given in the annexure to the Notice.
6. All the documents referred to in this Notice and Explanatory Statement are open for inspection at the Registered Office of the Company during office hours on all working days up to date of Annual General Meeting and shall also be available at the Meeting.
7. Individual shareholders can take the facility of nomination, For further details in the regard shareholders may contact the Registrars / Company.

----- YENKEY DRUGS AND PHARMACEUTICALS LIMITED -----

EXPLANATORY STATEMENT

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

ITEM NO. 4

The Board of the Directors of the Company in their meeting dated 24.10.2008 has decided to change the name of the company i.e from Yenkey Drugs and Pharmaceuticals Limited to Venmax Drugs and Pharmaceuticals Limited to have business advantage subject to the approval of the share holders.

The request to change the name of the company has submitted to the Registrar of the Companies Andhra Pradesh, Hyderabad. The same has been approved by the Registrar, Andhra Pradesh, Hyderabad.

ITEM NO.5

The Company's paid up capital of Rs.463.53 lakhs divided in to 46,35,300 shares of Rs.10/- each proposed to reduce into 231.765 lakhs divided in to 23,17,650 shares of Rs.10/- each as per the Hon'ble BIFR direction dated 29th January, 2008. The capital reduction will facilitate the company to reduce the accumulated losses. The extract from the rehabilitation Scheme about the reduction of the paid up share capital sanctioned by the Hon'ble BIFR is as follows.

10.2 Capital Restructuring

1. The Company has an equity Capital base of 463.53 lacs divided into 46, 35,300 equity shares of Rs.10/- each as on 31.03.2006. The company proposed to restructure the capital base by reducing the 46,35,300 equity share of Rs.10/- each to 23, 17,650 shares of rs.10/- each i.e. by 50%. The capital reduction will facilitate the company to reduce the accumulated losses by Rs.231.77 lacs from Rs.561.64 lacs
2. The existing equity share capital of the company to be reduced by 50% and then equity two equity shares of Rs.10/- shall be consolidated in to one equity share of Rs.10/- full paid up in terms of Sec. 18(2)(f) of the SICA without the requirement of following the provisions of Section 100 – 103 of the Companies Act, 1956 and SEBI or any other guidelines
3. After the reduction of existing equity share capital as above, equity shares shall be issued without the requirement of following the provisions of Sec 51 (1A), 295,372A and other applicable provisions of Companies Act, 1956, SEBI guidelines for preferential allotment of shares and without following the requirement of SEBI (Substantial Acquisition of Shares and Takeover regulations 1997, SEBI (Disclosures & Investor Protection) Guidelines, 2000, SEBI (Central Listing Authority) Regulations 2003 and ceiling on promoters holding from the applicability of which the company/strategic investor is exempted.

**BY ORDER OF THE BOARD
For YENKEY DRUGS AND PHARMACEUTICALS LIMITED**

Sd/-

N.V. NARENDAARR

Chairman & Managing Director

Place: Hyderabad

Date : 30th September, 2008

YENKEY DRUGS AND PHARMACEUTICALS LIMITED

DIRECTORS REPORT

Dear Members,

Your Directors have pleasure in presenting the 19th ANNUAL REPORT together with the Audited Accounts of the company for the financial year ended 31st March, 2008.

FINANCIAL RESULTS :

	For the Financial Year 2007-2008	For the Financial Year 2006-2007
Income from Operations	299.78	545.31
Other Income	0	117.36
Total Expenditure	264.11	511.67
Profit/Loss before Depreciation and Taxation	35.67	149.75
Interest	8.01	9.96
Depreciation	22.06	20.45
Provision for Tax		
Current Tax	0	0
Deferred Tax	86.18	1.25
Fringe Benefit Tax	0.17	0.28
Net Profit / (Loss)	-80.75	119.06
Paid up Equity Share Capital	528.53	528.53
Reserves & Surplus	71.18	73.87

REVIEW OF OPERATIONS:

During the year under review, your company has achieved a turnover of Rs.299.78. Lacs and incurred an operating profit of Rs.5.60 Lacs. Your Directors agree that the Company turned around the operations

Your Directors hope to introduce the new products and tie up with International Companies. The Company has become debt free Company. The Management is making efforts to mobilize the Working Capital Facilities.

B I F R:

The Company has made an application to BIFR and the Draft Rehabilitation Package as approved by Monitoring Agency. The BIFR approved the draft rehabilitation package and declared that the Company is viable and can come out of BIFR with in two years.

DIVIDEND :

Since the Company is still under B I F R , Company deferred the dividend declaration.

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.

The Company has not invited / accepted any fixed deposits during the year under review.

DIRECTORS:

To appoint a Director in place of Sri. G.Gopal Yadav, Director of your company retires by rotation at the ensuing Annual general Meeting and being eligible, offer himself for re-appointment..

To appoint a Director in place of Ms M Usha Rani, Director of your company retires by rotation at the ensuing Annual general Meeting and being eligible, offer himself for re-appointment..

VENKEY DRUGS AND PHARMACEUTICALS LIMITED

DIRECTORS' RESPONSIBILITY STATEMENT:

The Directors of your Company hereby report:

- (i) That in preparation of Annual Account for the financial year ended 31st March, 2008, 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 31st March, 2008 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 a 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. Your directors recommend their appointment.

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 - I to this report.

PARTICULARS OF EMPLOYEES:

Pursuant to Section 217 (2AA) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rule s 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.

CORPORATE GOVERNANCE:

In terms of Clause 49 of the Listing agreement, a separate Report on corporate Governance is enclosed as Annexure - B to this report.

LISTING FEE :

Your Company's shares are listed on the Bombay Stock Exchange. Your Company has paid the Listing fee to the Bombay Stock Exchange for the period 2007-08. The ISIN no. of the Company is INE 154 G 01014.

ACKNOWLEDGEMENTS:

Your directors would like to place on record their sincere appreciation and gratitude to the Company's Customers, Financial Institutions, 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.

FOR AND ON BEHALF OF BOARD OF DIRECTORS

Sd/-

Place: Hyderabad

Date : 30th September, 2008

N.V. NARENDAARR

Chairman & Managing Director

YENKEY DRUGS AND PHARMACEUTICALS LIMITED

**ANNEXURE - A
FORM - "A"
ANNEXURE TO THE DIRECTORS REPORT**

In formation 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.

Sl. No.		Current Year	Previous Year
1.	Electricity		
	a. Purchased Units	2,15,577	3,38,682
	Total Amount	Rs.10,14,260/-	Rs.13,97,520/-
	Rate per Unit	Rs.4.70	Rs.4.13
	b. Own Generations		
	- Through Diesel Generator		
	Units	5,000 Lts.	9,239 Lts.
	Total Amount	Rs.1,69,022/-	Rs.3,27,506/-
	Cost per Unit	Rs.33.80	Rs.35.45
2.	Coal		
	Quantity	46.20 MT	93.61 MT
	Total Cost	Rs.1,75,579/-	Rs.3,36,989/-
	Average Rate	Rs.3,800/-	Rs.3,600/-
3.	Furness Oil		
	Quantity	NIL	NIL
	Total Cost	NIL	NIL
	Average Rate	NIL	NIL
4.	Other Internal Generations		

B. Consumption per unit of Production

Year	Standards (If Any)	Current Year	Previous Year
Products/Per Ton	Nil	-	-
Electricity	Nil	-	-
Furnace Oil	Nil	-	-
Coal	Nil	-	-
Others	Nil	-	-

Since there are Number of stages involved in production, it is not practicable to ascertain product wise consumption

----- YENKEY DRUGS AND PHARMACEUTICALS LIMITED -----

B. Technology absorption

FORM B

(Disclosure of Particulars with respect to technology absorption to the extent applicable)

1. Research and Development (R & D)

1. Specific areas in which R & D carried out by the Company : specialty high valued and margin products were developed.
2. Benefits derived as a result of : Better yields in Trityl Chloride
the above R & D Lorsarton Potassium and Fluconazole
3. Future plan of action : Developing Veterinary Drugs
4. Expenditure on R & D
 - a. Capital : Nil
 - b. Recurring : Rs.3, 77,900/-
 - c. Total : Rs.3, 77,900/
 - d. Total Expenditure on R&D
as a percentage of total turnover : 1.26%

2. Technology Absorption, Adaptation and Innovation.

- a. Efforts, in brief, made towards technology absorption, adoption and innovation : Process development Trityl Chloride and 4 CRS has resulted reasonable margins.
- b. Benefits derived as a result of the above efforts, Ex: Product improvement, cost reduction product development, import substitution etc: Profit Margins have increased better quality acceptable to European market.
- c. Imported Technology: Nil

C. FOREIGN EXCHANGE EARNINGS AND OUTGO:

- A. Earnings : Nil
- B. Out go : Nil

FOR AND ON BEHALF OF BOARD OF DIRECTORS

Sd/-

N.V. NARENDAARR

Chairman & Managing Director

Place: Hyderabad

Date : 30th September, 2008

YENKEY DRUGS AND PHARMACEUTICALS LIMITED

ANNEXURE - B
REPORT ON CORPORATE GOVERNANCE
(Pursuant to Clause 49 of the Listing Agreement)

Pursuant to the Schedule of implementation of the clause 49 of the Listing Agreement the Listing Agreement the Code of Corporate Governance is applicable to your Company from financial year 2003-04. Accordingly, the Company presents its report on Corporate Governance.

1. COMPANY'S PHILOSOPHY ON THE CODE OF GOVERNANCE

The directors of the company are of the firm belief that the company can reach to the peak of success only by following good managing principles and by implementing them in a systematic manner besides complying with all the statutory requirements as required under various laws, statutes, regulations, by-laws etc., which are applicable to the company from time to time. Further, it envisages that the code of Corporate Governance is a policy frame work wherein the interests of the shareholders, employees and other constituents are well protected.

2. BOARD OF DIRECTORS

A. Composition

As on 31st March, 2007, the Board of directors consists of eight directors comprising of one promoter Executive Director, Two executive directors and Five non executive Independent Directors.

Name of the Directors	Board Meetings Attended during the year	Category	Whether Attended Last AGM	No. of Other Director Ships	No. of Committees Acting As	
					Chairman	Member
G GOPAL YADAV	4	Executive Director	YES	0	1	1
M. USHA RANI	4	Executive Director	YES	0	0	1
Dr. R. MALLIKARJUNRAO	4	Non Executive Independent Director	YES	0	0	0
Dr. A. RAMAKRISHNAIAH	4	Non Executive Independent Director	YES	0	1	1
NITESH VIJAY VARGIYA	4	Non Executive Independent Director	YES	0	0	0
MILIND DESAI	4	Non Executive Independent Director	YES	0	0	1
MSR AYYANGAR	4	Non Executive Independent Director	YES	2	0	0
N.V. NARENDAARR	4	Promote Director	YES	0	0	0