



# **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.

**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

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"

**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

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**



**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.

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**

**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.

The members' approval is being sought for re-appointment of Whole Time Directors and payment of remuneration to them.

**AUDITORS :**

The Auditors of the Company M/s. Nalin S. Parekh & Co., Chartered Accountants, Mumbai hold office upto the forthcoming Annual General Meeting and being eligible offer themselves for re-appointment.

**COST AUDIT :**

Your Company is following the order issued under section 209(1)(d) of the Companies Act, 1956, as amended in respect of manufacture of pharmaceutical bulk drugs. The Company has been maintaining cost accounting records as required in the above-referred provisions of the Companies Act, 1956, as amended. Your Company will forward the relevant form for the appointment of Smt. Kalpana P. Mehta as the Cost Auditor of the Company for the financial year 2002-03 to the Central Government, for its approval.

**INDUSTRIAL RELATIONS :**

The industrial relations climate in your Company was harmonious and constructive.

**COMPLIANCE CERTIFICATE :**

The certificate of compliance from the Auditors of the Company as required Under Clause 49 of the Standard Listing Agreement is not attached to this report as the code of Corporate Governance apply to the Company only from Financial Year 2002-2003.

**DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to Section 217(2AA) of the Companies Act, 1956 as amended with respect of Directors responsibility statement, it is hereby confirmed: -

1. That the preparation of accounts for the Financial Year ended 31st March, 2002, the applicable accounting standards have been followed along-with proper explanation relating to material departures;
2. That the Directors have selected such accounting policies and applied them consistently and made judgements and estimates that were reasonable and prudent so as to give true and fair view of the state of affairs of the Company at the end of the Financial Year and the Profit or Loss of the Company for the year under review;
3. That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 as amended for safeguarding the assets of the Company and for preventing and

detecting fraud and other irregularities;

4. That the Directors' have prepared the accounts for the Financial Year ended 31st March 2002 on a going concern basis.

**ACKNOWLEDGEMENTS**

Your Directors are thankful to you, our bankers, customers, employees and to all those who have extended their committed support to the progress of your Company.

**For and on behalf of the Board of Directors  
For Samrat Pharmachem Limited**

**Lalit Mehta  
Managing Director**

**Champak Parekh  
Jt Managing Director**

**Place : Mumbai  
Dated : 31st May, 2002**

**ANNEXURE TO THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2002**

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings & Outgo

Section 217(1)(e) of the Companies Act, 1956

The Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988

**A. CONSERVATION OF ENERGY**

Your Company continues to explore & implement measures that will help in conservation and saving of energy.

Measures taken & benefits derived are as follows:

- Hot Water coming from steam traps is recycled & used as boiler feed water.
- Using economiser effectively to pre-heat boiler feed water.
- Timely & routine preventive maintenance of boiler.
- Improvement in unit operations leading to reduction in processing time in reactor, centrifuge, drier & other equipments to minimize use of electricity.

**TOTAL ENERGY CONSUMPTION AND ENERGY CONSUMPTION PER UNIT OF PRODUCTION**

**(A) POWER & FUEL CONSUMPTION**

Particulars	Current year ended March 2002	Previous year ended March 2001
1. ELECTRICITY		
a) Purchased Units (kwh)	137,030	145,630
Total Amount (Rs.)	730,570	704,421
Rate per Unit (Rs.)	5.33	4.84
b) Own Generation (Through Diesel Generator) Units (kwh)	3,564	3,472
Total Amount (Rs.)	31,107	26,797
Units per Litre of Diesel	2.24	2.22
Cost per Unit (Rs.)	8.73	7.72

2. DIESEL OIL		
Unit (Litres)	79,465	101,064
Total Amount (Rs.)	1,305,078	1,614,590
Rate per Unit (Rs.)	16.42	15.98
3. CONSUMPTION PER KILO		
Production of Bulk Drugs & Chemicals (Kgs)	223,132	253,727
Electricity Rs. per Kg	3.27	2.89
Diesel Oil Rs. per Kg	5.85	6.36

**B. TECHNOLOGY ABSORPTION**

The management has focused on productivity and quality improvement in order to optimise manufacturing costs. This has helped in achieving optimum manufacturing costs, improved quality of products and consequently enhanced customer satisfaction. The company uses indigenous technology.

**C. FOREIGN EXCHANGE EARNINGS AND OUTGO**

Foreign exchange earned Rs. 7,270,966  
F.O.B. Value of export of finished goods (Previous year Rs. 3,373,204)

Foreign exchange used Rs. 85,756,839  
Import of raw materials (Previous year Rs. 95,393,759)

**For and on behalf of the Board of Directors  
For Samrat Pharmachem Limited**

**Lalit Mehta**  
Managing Director

**Champak Parekh**  
Jt Managing Director

**Place : Mumbai**  
**Dated : 31st May, 2002**

**AUDITOR'S REPORT**

To the members of SAMRAT PHARMACHEM LIMITED

We have audited the attached Balance Sheet of SAMRAT PHARMACHEM LIMITED as at 31ST MARCH 2002 and the Profit and Loss Account for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of materials mis-statement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

**We report that :**

1. As required by the Manufacturing and Other Companies (Auditor's Report) Order, 1988 issued by the Company Law Board in terms of section 227(4A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
2. Further to our comments in the Annexure referred to in paragraph 1 above, we state that:
  - (a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion proper books of account as required by the law have been kept by the company so far as appears from our examination of such books.
  - (c) The Balance Sheet and the Profit and Loss Account referred to in this report are in agreement with the books of account.
  - (d) In our opinion the Profit and Loss Account and the Balance Sheet of the Company comply with the accounting standards referred to in Sub-section (3C) of Section 211 of the Companies Act, 1956 to the extent applicable.

- (e) Based on the representation received, the Directors of the Company do not, prima facie, have any disqualification as referred to in Section 274(1)(g) of the Companies Act, 1956 as amended.
- (f) In our opinion and to the best of our information and according to the explanations given to us, the said Balance Sheet and the Profit and Loss Account read together with the notes give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view:
  - (i) insofar as it relates to the Balance Sheet, of the state of affairs of the company as at 31ST MARCH 2002, and
  - (ii) insofar as it relates to the Profit and Loss Account, of the Profit of the company for the year ended on that date.

**For Nalin S. Parekh & Co.  
Chartered Accountants**

**Nalin S. Parekh  
[Proprietor]**

**Place : Mumbai  
Dated : 31st May, 2002**

## ANNEXURE TO THE AUDITOR'S REPORT

Re : SAMRAT PHARMACHEM LIMITED

Referred to in paragraph 1 of our report of even date.

1. The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets. All the assets have been physically verified by the management during the year and there is a regular programme of verification which in our opinion is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on verification.
2. None of the fixed assets have been revalued during the year.
3. The stocks of finished goods, stores, spare parts and raw materials have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
4. The procedures of physical verification of stocks followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
5. No discrepancies were noticed on verification between the physical stocks and the book records.
6. On the basis of our examination of stock records, we are of the opinion that the valuation of stocks is fair and proper in accordance with the normally accepted accounting principles, and is on the same basis as in the preceding year.
7. According to the information & explanations given to us, the Company has not taken/granted any loans, secured or unsecured, from/to Companies, firms or other parties listed in the register maintained Under Section 301 of the Companies Act, 1956 where the rate of interest or the terms and conditions are prima facie prejudicial to the interests of the Company. In view of Section 370(1B) of the Companies Act, 1956 being made inapplicable, the question regarding loans from/to Companies under the same management as defined under the said Section has not been commented upon.
8. Interest free loans and advances, in the nature of loans, have been given by the company to its employees who are repaying the principal amount as stipulated.
9. In our opinion and according to the information and explanation given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to the purchases of stores, raw material including components, plant and machinery, equipment and other assets and with regard to the sale of goods.
10. According to the information and explanation given to us, there were no transactions of purchase of goods or materials or sale of goods, materials and services made in pursuance of contracts or arrangements entered in the registers maintained under Section 301 of the Companies Act, 1956 and aggregating during the year to Rs. 50,000 or more in respect of each party.
11. As explained to us, the company has a regular procedure for the determination of unserviceable or damaged stores, raw materials and finished goods. No such unserviceable or damaged goods were found.
12. According to the information and explanations given to us, the company has not accepted any deposits from the public.
13. In our opinion, reasonable records have been maintained by the Company for the sale & disposal of scrap. As explained to us, the company's operations did not give rise to any realisable by-products.
14. In our opinion, the company has an internal audit system commensurate with the size and nature of its business.
15. We have broadly reviewed the records maintained by the Company in respect of some of the products where the maintenance of cost records has been prescribed under section 209(1)(d) of the Companies Act, 1956. We are of the opinion that prima facie the prescribed records have been maintained and are being made up. We have not, however, made a detailed examination of the records with a view to determining whether they are accurate or complete.
16. The Company has generally been regular, during the year, in depositing Employees' State Insurance & Provident Fund dues with the appropriate authorities.
17. According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, wealth tax, sales tax, customs duty and excise duty were outstanding, as at 31st March, 2002, for a period of more than six months from the date they became payable.



18. According to the information and explanations given to us, no personal expenses of employees or Directors have been charged to revenue account, other than those payable under contractual obligations or in accordance with generally accepted business practice.
19. The company is not a sick industrial company within the meaning of clause(o) of sub-section (1) of section 3 of the Sick Industrial Companies (Special Provisions) Act, 1985.
20. Payment against supplies from SSI and ancillary undertakings are generally made in accordance with agreed credit terms and, to the extent ascertained from available information, there were no overdues nor any outstandings for more than a month exceeding Rs. one lakh.
21. In respect of service activities carried out by the Company, we are informed that specific allocation of man-hours and material consumed to relative job is not accurately ascertainable. However the Company has an adequate system of internal control commensurate with the size of the Company and the nature of its business.

**For Nalin S. Parekh & Co.  
Chartered Accountants**

**Nalin S. Parekh  
[Proprietor]**

**Place : Mumbai  
Dated : 31st May, 2002**



**BALANCE SHEET AS AT 31st MARCH, 2002**

PARTICULARS	SCHEDULE	31/Mar/02 Rs.	31/Mar/01 Rs.
<b>SOURCES OF FUNDS</b>			
<b>SHAREHOLDERS' FUNDS</b>			
Equity Share Capital	1	30,897,000.00	30,897,000.00
<b>RESERVES AND SURPLUS</b>			
(i) Capital Reserve		89,000.00	89,000.00
(ii) Profit And Loss Account		6,682,863.22	7,934,598.07
<b>LOAN FUNDS</b>			
(i) Secured Loans	2	8,755,001.41	14,014,080.68
(ii) Unsecured Loans		0.00	0.00
<b>TOTAL</b>		<b>46,423,864.63</b>	<b>52,934,678.75</b>
<b>APPLICATION OF FUNDS</b>			
<b>FIXED ASSETS</b>			
Gross Block	7	17,785,853.45	17,250,211.45
Depreciation		3,997,059.15	3,252,010.87
Net Block		<b>13,788,794.30</b>	<b>13,998,200.58</b>
<b>CAPITAL WORK-IN-PROGRESS</b>		<b>0.00</b>	<b>0.00</b>
<b>INVESTMENTS</b>	3	<b>20,000.00</b>	<b>20,000.00</b>
<b>CURRENT ASSETS, LOANS &amp; ADVANCES</b>			
Inventories	4	17,482,981.51	21,765,111.97
Sundry Debtors		23,587,766.22	31,010,826.75
Cash & Bank Balances	6	10,545,494.41	7,251,207.21
Other Current Assets		1,385,921.42	689,771.30
Loans And Advances	8	1,560,367.00	980,353.00
		54,562,530.56	61,697,270.23
LESS : CURRENT LIABILITIES & PROVISIONS	9	(21,233,037.35)	(23,824,317.58)
NET CURRENT ASSETS		33,329,493.21	37,872,952.65
DEFERRED TAX LIABILITY		(1,497,067.00)	0.00
MISCELLANEOUS EXPENDITURE [ To the Extent Not Written Off ]			
Preliminary Expenses		146,398.80	195,198.40
Public Issue Expenses		636,245.32	848,327.12
<b>TOTAL</b>		<b>46,423,864.63</b>	<b>52,934,678.75</b>

THE SCHEDULES REFERRED TO ABOVE FORM PART OF THE ACCOUNTS.

**AS PER OUR REPORT OF EVEN DATE**

**FOR NALIN S PAREKH & CO.**  
Chartered Accountants

**NALIN S. PAREKH**  
Proprietor

**FOR AND ON BEHALF OF THE BOARD**  
**LALIT MEHTA**  
Managing Director

**CHAMPAK PAREKH**  
Jt Managing Director

**RAJESH MEHTA**  
Executive Director

**HITESH PAREKH**  
Executive Director

PLACE : Mumbai

DATED : 31st May, 2002

**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2002**

PARTICULARS	SCHEDULE	31/Mar/02 Rs.	31/Mar/01 Rs.
<b>INCOME</b>			
Sales		128,811,093.69	135,888,480.80
Other Income	10	994,431.70	1,552,373.30
Profit On Sale Of Fixed Assets		6,587.58	0.00
<b>TOTAL</b> [A] →		<b>129,812,112.97</b>	<b>137,440,854.10</b>
<b>EXPENDITURE</b>			
Materials, Manufacturing & Other Expenses	11	112,974,883.91	121,573,060.68
Decrease In Stock		3,294,683.92	1,712,482.44
Salaries, Wages And Other Employee Benefits	12	2,483,669.85	2,140,564.15
Office And Administration Expenses	13	2,530,426.16	2,535,465.36
Selling And Distribution Expenses	14	5,954,633.82	6,620,801.51
Interest & Finance Charges	15	1,249,542.90	1,648,210.30
Depreciation On Fixed Assets		804,136.86	698,220.01
Preliminary & Public Issue Expenses W/Off		260,881.40	260,881.40
<b>TOTAL</b> [B] →		<b>129,552,858.82</b>	<b>137,189,685.85</b>
<b>PROFIT BEFORE TAX</b> [A] - [B]		<b>259,254.15</b>	<b>251,168.25</b>
Less : Provision for Income Tax		(12,707.00)	(87,201.00)
Net Deferred Tax Liability for the Current Year		(93,149.00)	0.00
<b>PROFIT AFTER TAX</b>		<b>153,398.15</b>	<b>163,967.25</b>
OPENING BALANCE IN PROFIT & LOSS ACCOUNT		7,934,598.07	7,771,902.82
Add : Profit After Tax		153,398.15	163,967.25
Less : Deferred Tax Liability of Previous years		(1,403,918.00)	0.00
Taxation Adjustment Of Previous Year		(1,215.00)	(1,272.00)
<b>BALANCE CARRIED FORWARD</b>		<b>6,682,863.22</b>	<b>7,934,598.07</b>

THE SCHEDULES REFERRED TO ABOVE FORM PART OF THE ACCOUNTS.

**AS PER OUR REPORT OF EVEN DATE****FOR NALIN S PAREKH & CO.**

Chartered Accountants

**FOR AND ON BEHALF OF THE BOARD****LALIT MEHTA**

Managing Director

**RAJESH MEHTA**

Executive Director

**NALIN S. PAREKH**

Proprietor

**CHAMPAK PAREKH**

Jt Managing Director

**HITESH PAREKH**

Executive Director

PLACE : Mumbai

DATED : 31st May, 2002

**SCHEDULE TO THE ACCOUNTS FOR THE YEAR ENDED 31st MARCH, 2002**

	31/Mar/02 Rs.	31/Mar/01 Rs.								
<b>[1] SHARE CAPITAL</b>										
AUTHORISED										
5,000,000 EQUITY SHARES OF Rs.10 EACH	50,000,000.00	50,000,000.00								
[Previous Year 5,000,000 Equity Shares]										
ISSUED AND SUBSCRIBED										
3,089,700 EQUITY SHARES OF Rs.10 EACH FULLY PAID	30,897,000.00	30,897,000.00								
[Previous Year 3,089,700 Equity Shares]										
<b>[2] SECURED LOANS</b>										
BILL/LETTER OF CREDIT DISCOUNTING WITH SCHEDULED BANK	0.00	7,653,700.00								
CASH CREDIT FROM SCHEDULED BANK	8,755,001.41	6,360,380.68								
[Secured against Fixed Assets, Stock, Book Debts & Personal Guarantee of Executive Directors]										
TOTAL	8,755,001.41	14,014,080.68								
<b>[3] INVESTMENTS</b>										
[Unquoted, At Cost]										
GOVERNMENT SECURITIES	0.00	0.00								
OTHERS (2,000 SHARES OF SARASWAT CO-OP BANK LTD)	20,000.00	20,000.00								
TOTAL	20,000.00	20,000.00								
<b>[4] INVENTORIES</b>										
RAW MATERIALS	1,996,028.12	2,936,883.72								
FUEL	41,411.06	88,002.00								
WORK IN PROCESS & FINISHED GOODS	15,445,542.33	18,740,226.25								
TOTAL	17,482,981.51	21,765,111.97								
<b>[5] SUNDRY DEBTORS</b>										
[Unsecured, Considered Good]										
OUTSTANDING FOR MORE THAN SIX MONTHS	373,578.18	570,996.20								
OTHERS	3,214,188.04	30,439,830.55								
TOTAL	23,587,766.22	31,010,826.75								
<b>[6] CASH AND BANK BALANCES</b>										
CASH BALANCE	236,241.14	232,296.42								
WITH SCHEDULED BANKS IN CURRENT ACCOUNTS	2,978,276.44	540,938.44								
WITH SCHEDULED BANKS IN DEPOSIT ACCOUNTS	7,330,976.83	6,477,972.35								
TOTAL	10,545,494.41	7,251,207.21								
<b>[7] FIXED ASSETS [AT COST]</b>										
Name	Gross Block 31/03/01	Additions	Sale	Gross Block 31/03/02	Depn Upto 31/03/01	Depn For The Year	Deduct For Asset Sold	Total Depn	Net Block 31/03/01	Net Block 31/03/02
LAND	857,619.00	33,875.00	0.00	891,494.00	0.00	0.00	0.00	0.00	857,619.00	891,494.00
BUILDING	3,789,824.98	0.00	0.00	3,789,824.98	498,383.46	126,580.15	0.00	624,963.61	3,291,441.52	3,164,861.37
PLANT AND MACHINERY	10,773,599.70	484,605.00	0.00	11,258,204.70	1,963,661.25	526,655.37	0.00	2,490,316.62	8,809,938.45	8,767,888.08
OFFICE PLANT & EQUIPMENT	812,562.00	70,605.00	0.00	883,167.00	434,249.78	86,575.29	0.00	520,825.07	378,312.22	362,341.93
FURNITURE AND FIXTURES	877,834.77	2,450.00	0.00	880,284.77	277,445.76	57,064.28	0.00	334,510.04	600,389.01	545,774.73
VEHICLES	138,771.00	47,108.00	(103,001.00)	82,878.00	78,270.62	7,261.77	(59,088.58)	26,443.81	60,500.38	56,434.19
As At Mar/02	17,250,211.45	638,643.00	(103,001.00)	17,785,853.45	3,252,010.87	804,136.86	(59,088.58)	3,997,059.15	13,998,200.58	13,788,794.30
As At Mar/01	14,588,308.74	2,682,406.71	(20,504.00)	17,250,211.45	2,553,790.86	698,220.01	0.00	3,252,010.87	12,034,517.88	13,998,200.58

	31/Mar/02 Rs.	31/Mar/01 Rs.
<b>[8] LOANS AND ADVANCES</b>		
[ Unsecured, Considered good ]		
ADVANCES	1,279,100.00	683,100.00
[Recoverable in cash or in kind or against value to be received ]		
DEPOSITS	281,267.00	297,253.00
TOTAL	<u>1,560,367.00</u>	<u>980,353.00</u>
<b>[9] CURRENT LIABILITIES AND PROVISIONS</b>		
<b>CURRENT LIABILITIES</b>		
SUNDRY CREDITORS FOR GOODS	19,737,656.00	22,020,925.82
SUNDRY CREDITORS FOR EXPENSES	761,286.80	1,272,766.16
SUNDRY CREDITORS FOR FIXED ASSETS	(202,711.15)	56,967.85
ADVANCES RECEIVED AGAINST ORDER/GOODS	120,000.00	125,500.00
BANK OVERDRAFT WITH SCHEDULED BANK	816,805.70	260,956.75
	<u>21,233,037.35</u>	<u>23,737,116.58</u>
PROVISION FOR INCOME TAX	0.00	87,201.00
TOTAL	<u>21,233,037.35</u>	<u>23,824,317.58</u>
<b>[10] OTHER INCOME</b>		
EXPORT INCENTIVES	990,831.70	585,075.30
INCOME FROM SALE OF SCRAP	0.00	5,000.00
DIVIDEND FROM SHARES OF SARASWAT CO-OP BANK	3,600.00	3,600.00
INSURANCE CLAIM	0.00	958,698.00
TOTAL	<u>994,431.70</u>	<u>1,552,373.30</u>
<b>[11] MATERIALS, MANUFACTURING AND OTHER EXPENSES</b>		
MATERIALS CONSUMED	104,746,475.80	112,893,657.57
JOB WORK CHARGES	1,677,554.00	2,135,188.00
POWER CHARGES	730,570.00	704,421.00
FUEL CONSUMED	1,336,184.61	1,641,386.70
GAS CHARGES	211,789.00	0.00
WATER CHARGES	89,412.00	100,455.00
ANALYTICAL & TESTING CHARGES	331,822.50	254,310.20
INSURANCE CHARGES	137,814.00	129,001.00
CENTRAL EXCISE DUTY	2,512,000.00	2,585,283.00
REPAIRS TO FACTORY BUILDING	165,746.00	28,491.00
REPAIRS TO PLANT & MACHINERY	727,493.00	822,849.21
FACTORY CESS & TAXES	10,242.00	7,699.00
EFFLUENT TREATMENT & POLLUTION CONTROL	174,560.00	250,355.00
IMPORT EXPENSES	0.00	17,056.00
FOREIGN BILL STAMPS	71,852.00	2,908.00
OTHERS	51,369.00	0.00
TOTAL	<u>112,974,883.91</u>	<u>121,573,060.68</u>
<b>[12] SALARIES, WAGES AND OTHER EMPLOYEE BENEFITS</b>		
SALARIES & WAGES	851,048.05	1,181,418.65
FACTORY		
CONTRACT	574,564.00	0.00
OFFICE	297,927.80	261,213.00
EMPLOYEES STATE INSURANCE CORPORATION	41,281.00	36,857.00
PROVIDENT FUND	257,439.00	230,592.00
PROFESSION TAX	2,570.00	2,160.00
GRATUITY FUND	75,023.00	75,023.00
HOUSE RENT	23,720.00	23,540.00
FACTORY SECURITY CHARGES	88,232.00	83,634.00
REFRESHMENT & STAFF WELFARE	271,865.00	246,126.50
TOTAL	<u>2,483,669.85</u>	<u>2,140,564.15</u>

	31/Mar/02 Rs.	31/Mar/01 Rs.
<b>[13] OFFICE AND ADMINISTRATION EXPENSES</b>		
OFFICE ELECTRICITY	59,430.00	58,044.00
OFFICE LEASE RENT	168,350.00	159,900.00
LEGAL & PROFESSIONAL CHARGES	367,850.00	304,369.00
PRINTING & STATIONERY	327,874.91	235,611.32
CONVEYANCE - LOCAL	131,857.00	135,809.00
VEHICLE EXPENSES	32,845.50	43,365.14
TRAVELLING - OUTDOOR	67,806.00	116,202.00
TELEPHONE, FAX & TELECOMMUNICATION CHARGES	313,882.74	420,179.00
POSTAGE & COURIER CHARGES	166,650.80	134,692.80
DIRECTORS REMUNERATION	480,000.00	480,000.00
AUDITOR'S REMUNERATION	31,125.00	31,125.00
COST AUDITOR'S REMUNERATION	18,375.00	18,375.00
STOCK EXCHANGE FEES	42,850.00	40,850.00
DATA PROCESSING CHARGES	36,953.00	34,633.00
OFFICE REPAIRS & RENEWALS	95,800.66	71,819.00
SUBSCRIPTIONS & PERIODICALS	8,760.00	6,320.00
SUNDRY EXPENSES	180,015.55	244,171.10
<b>TOTAL</b>	<b>2,530,426.16</b>	<b>2,535,465.36</b>
<b>[14] SELLING &amp; DISTRIBUTION EXPENSES</b>		
EXPORT EXPENSES	360,530.75	65,503.10
ADVERTISEMENT & PUBLICITY	83,914.00	135,120.40
BUSINESS PROMOTION	17,000.00	110,609.30
DISCOUNT	120,083.73	86,542.07
COMMISSION & BROKERAGE	304,943.64	257,791.64
SALES TAX	4,618,639.00	5,262,891.00
DELIVERY CHARGES	449,522.70	702,344.00
<b>TOTAL</b>	<b>5,954,633.82</b>	<b>6,620,801.51</b>
<b>[15] INTEREST &amp; FINANCE CHARGES</b>		
BANK INTEREST & CHARGES	1,249,542.90	1,648,105.30
OTHER INTEREST	0.00	105.00
<b>TOTAL</b>	<b>1,249,542.90</b>	<b>1,648,210.30</b>

SIGNATORIES TO SCHEDULES 1 TO 15 AS PER OUR REPORT OF EVEN DATE

**FOR NALIN S PAREKH & CO.**  
Chartered Accountants

**FOR AND ON BEHALF OF THE BOARD**  
**LALIT MEHTA**  
Managing Director

**RAJESH MEHTA**  
Executive Director

**NALIN S. PAREKH**  
Proprietor

**CHAMPAK PAREKH**  
Jt Managing Director

**HITESH PAREKH**  
Executive Director

**PLACE : Mumbai**  
**DATED : 31st May, 2002**

**NOTES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2002****1. SIGNIFICANT ACCOUNTING POLICIES****(a) System of Accounting**

The accounts have been prepared under the historical cost convention and on accrual basis.

**(b) Fixed Assets**

Fixed assets are stated at cost along with costs directly attributable to bring the assets to their working condition.

**(c) Depreciation**

Depreciation on Fixed Assets is provided on Straight Line Method at the rates and in the manner specified in Schedule XIV to the Companies Act, 1956 read with the relevant circulars issued by the Department of Company Affairs from time to time.

Depreciation on assets added during the year has been provided on pro-rata basis.

**(d) Investments**

Long-term investments are being valued at cost of acquisition.

Short-term investments are being valued at cost or market value whichever is lower.

**(e) Inventories**

Raw materials, Stores and spares and Work-in-Progress are valued at cost.

Finished goods are valued at lower of cost or realisable value.

The inventories are determined on FIFO basis.

**(f) Sales**

Sales are recognised when goods are supplied in accordance with the terms of sale and are recorded net of trade discounts and rebates but include excise duty and sales tax.

**(g) Customs / Excise Duty**

Customs and Excise Duty are accounted / provided as and when goods are debonded.

**(h) Foreign currency transaction**

Transactions in foreign exchange are accounted at a standard exchange rate. The difference between the amount originally recorded and the settlement amount is recognised in the Profit and Loss Statement as exchange rate fluctuation.

**(i) Preliminary & Public Issue expenses are being amortised over a period of 10 years.**

**2. QUANTITATIVE INFORMATION IN RESPECT OF GOODS MANUFACTURED BY THE COMPANY**

(i) Licenced Capacity, Installed Capacity &amp; Production (As Certified by the Management)

Class of goods : Pharmaceutical Bulk Drugs &amp; Chemicals

Particulars	31 March 2002	31 March 2001
Licenced Capacity	No Licence is Required	
Installed Capacity (MT)		528.00 528.00
Actual Production (MT)		223.13 253.73

(ii) Analysis of Raw Materials consumed :

Class of Goods	31 March 2002 MT	Rs.	31 March 2001 MT	Rs.
Pharmaceutical Raw Materials	605.48	103,761,320	548.22	111,776,006
Packing Materials		787,986		1,117,651
Total		104,549,306		112,893,657

**3. PARTICULARS IN RESPECT OF INVENTORIES AND PURCHASES OF TRADED GOODS**

NIL

**4. CONSUMPTION OF MATERIALS**

Particulars	31 March 2002 Rs.	%age	31 March 2001 Rs.	%age
Raw Materials Imported	85,756,839	82.03	101,566,864	89.97
Indigenous	18,792,467	17.97	11,326,793	10.03
Total	104,549,306	100.00	112,893,657	100.00

**5. SALES**

Class of Goods	31 March 2002 MT	Rs.	31 March 2001 MT	Rs.
Pharmaceutical Bulk Drugs & Chemicals	206.93	127,437,741	240.91	135,888,481

**6. CONTINGENT LIABILITIES**

In respect of Letters of Credit issued by the Company's Bankers: Rs. 7,805,700 (Previous year Rs. 3,398,075).

In respect of Bank Guarantees given by the Company's Bankers Rs. 306,825 (Previous year Rs. 260,640).

**7. FOREIGN EXCHANGE FLUCTUATION**

Gain on account of foreign exchange fluctuation accounted during the year is Rs. 166,336 (Previous year gain of Rs. 226,497).

**8. AUDITOR'S REMUNERATION**

<b>Particulars</b>	<b>31 March 2002 Rs.</b>	<b>31 March 2001 Rs.</b>
For Statutory Audit	23,625	23,625
For Taxation	7,500	7,500
<b>Total</b>	<b>31,125</b>	<b>31,125</b>

9. REMUNERATION paid u/s 198 of the Companies Act, 1956 to Managing Director, Joint Managing Director and Executive Directors are in accordance with the approval of the Central Government and or within the limits laid down under Schedule XIII to the Companies Act, 1956 & included in the Profit & Loss Account, as Directors Remuneration.
10. The company has taken Group Gratuity for its employees from Life Insurance Corporation of India.
11. Previous period's figures have been re-arranged, re-grouped and re-classified where necessary.

**As per our Report of Even date**  
**For Nalin S. Parekh & Co.**  
**Chartered Accountants**

**For and on behalf of the Board of Directors**  
**For Samrat Pharmachem Limited**

**Nalin S. Parekh**  
**[Proprietor]**

**Lalit Mehta**  
**Managing Director**

**Champak Parekh**  
**Jt Managing Director**

**Place : Mumbai**  
**Dated : 31st May, 2002**

**Rajesh Mehta**  
**Executive Director**

**Hitesh Parekh**  
**Executive Director**



**BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE**

<b>I. Registration Details :</b>		State Code :	04
Registration No. :	04-17820		
Balance Sheet Date :	31 March, 2002		
<b>II. Capital raised during the year</b> (Rupees in thousands)			
Public Issue	NIL		
Rights Issue	NIL		
Bonus Issue	NIL		
Private Placement	NIL		
<b>III. Position of mobilisation and Deployment of Funds</b> (Rupees in thousands)			
Total Liabilities	67657		
Total Assets	67657		
<b>Sources of Funds</b>			
Paid up Capital	30897		
Reserves and Surplus	6772		
Secured Loans	8755		
Unsecured Loans	NIL		
<b>Application of Funds</b>			
Net Fixed Assets	13789		
Investments	20		
Net Current Assets	31832	#	
Miscellaneous Expenditure	783		
Accumulated Losses	NIL		
# Net of Deferred Tax Liability			
<b>IV. Performance of Company</b> (Rupees in thousands)			
Turnover	128811		
Total Expenditure	129553		
Profit/Loss before Tax	259		
Profit/Loss after Tax	153	@	
Earning per share (in Rs.)	0.02		
@ Net of deferred Tax Liability for the current year			
<b>V. Generic names of three principal products/services of Company</b> (as per monetary terms)			
Item Code No. : (ITC Code)	282760.10		
Product Description :	Potassium Iodide		
Item Code No. : (ITC Code)	282760.20		
Product Description :	Sodium Iodide		
Item Code No. : (ITC Code)	292129.90		
Product Description :	Tri-Methyl Sulphoxonium Iodide		

**For Nalin S. Parekh & Co.**  
Chartered Accountants

**For and on behalf of the Board of Directors**  
**For Samrat Pharmachem Limited**

**Nalin S. Parekh**  
[Proprietor]

**Lalit Mehta**  
Managing Director

**Rajesh Mehta**  
Executive Director

**Place : Mumbai**  
**Dated : 31st May, 2002**

**Champak Parekh**  
Jt Managing Director

**Hitesh Parekh**  
Executive Director

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2002**

Particulars	31/Mar/02 Rs.	31/Mar/01 Rs.
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
NET PROFIT BEFORE TAX AND EXTRAORDINARY ITEMS	259,254.15	251,168.25
ADJUSTMENTS FOR :		
DEPRECIATION	804,136.86	698,220.01
PROFIT/LOSS ON SALE OF ASSETS	(6,587.58)	0.00
PRELIMINARY EXPENSES	260,881.40	260,881.40
INTEREST/DIVIDEND	1,245,942.90	1,644,610.30
	<b>2,304,373.58</b>	<b>2,603,711.71</b>
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	<b>2,563,627.73</b>	<b>2,854,879.96</b>
ADJUSTMENTS FOR :		
TRADE AND OTHER RECEIVABLES	6,310,772.09	(10,319,795.18)
INVENTORIES	4,282,130.46	2,090,998.18
TRADE PAYABLES	(3,059,928.18)	445,748.33
	<b>7,532,974.37</b>	<b>(7,783,048.67)</b>
CASH GENERATED FROM OPERATIONS	<b>10,096,602.10</b>	<b>(4,928,168.71)</b>
INTEREST PAID	(1,249,542.90)	(1,648,210.30)
DIRECT TAXES PAID	(264,998.68)	(25,398.00)
	<b>(1,514,541.58)</b>	<b>(1,673,608.30)</b>
CASH FLOW BEFORE EXTRAORDINARY ITEMS	<b>8,582,060.52</b>	<b>(6,601,777.01)</b>
EXTRAORDINARY ITEMS	0.00	0.00
NET CASH FROM OPERATING ACTIVITIES	<b>8,582,060.52</b>	<b>(6,601,777.01)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
PURCHASE OF FIXED ASSETS	(638,643.00)	(2,682,406.71)
SALE/REALIZATION OF FIXED ASSETS	50,500.00	20,504.00
CAPITAL WORK-IN-PROGRESS	0.00	1,441,376.32
SALE/REALIZATION OF INVESTMENTS	0.00	0.00
INTEREST/DIVIDEND RECEIVED	3,600.00	3,600.00
NET CASH USED IN INVESTING ACTIVITIES	<b>(584,543.00)</b>	<b>(1,216,926.39)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
PROCEEDS FROM ISSUE OF SHARE CAPITAL	0.00	0.00
SUBSIDY FROM GOVERNMENT	0.00	0.00
PROCEEDS FROM LONG TERM BORROWINGS	(5,259,079.27)	8,367,227.60
NET CASH USED IN FINANCING ACTIVITIES	<b>(5,259,079.27)</b>	<b>8,367,227.60</b>
NET INCREASE IN CASH AND CASH EQUIVALENTS	<b>2,738,438.25</b>	<b>548,524.20</b>
CASH AND CASH EQUIVALENTS AT 01/Apr/01 (Opening Balance)	<b>6,990,250.46</b>	<b>6,441,726.26</b>
CASH AND CASH EQUIVALENTS AT 31/Mar/02 (Closing Balance)	<b>9,728,688.71</b>	<b>6,990,250.46</b>

**AUDITOR'S CERTIFICATE**

I have verified the above cash flow statement of Samrat Pharmachem Limited derived from the audited financial statements for the years ended 31st March, 2002 and 31st March, 2001 and found the same to be drawn in accordance therewith and also with the requirements of Clause 32 of the listing agreements with stock exchanges.

**FOR NALIN S PAREKH & CO.**  
Chartered Accountants

**NALIN S. PAREKH**  
Proprietor

**PLACE : Mumbai**  
**DATED : 31st May, 2002**

**Registered Office**

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

**ATTENDANCE SLIP**

Please complete this attendance slip and hand it over at the entrance of the Meeting Hall.

L. F. No. (s) \_\_\_\_\_

NAME OF THE SHAREHOLDER/PROXY \_\_\_\_\_

ADDRESS \_\_\_\_\_

No. of shares held : \_\_\_\_\_

I/We hereby record our presence at the Tenth Annual General Meeting being held on **Saturday, the 28th day of 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.

SIGNATURE OF THE SHAREHOLDER / PROXY \*

\* Strike out whichever is not applicable.

**Registered Office**

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

**PROXY FORM**

Regd. Folio No. \_\_\_\_\_

No. of Shares held \_\_\_\_\_

Proxy No. \_\_\_\_\_

I/We \_\_\_\_\_

of \_\_\_\_\_

being a Member / Members of **SAMRAT PHARMACHEM LIMITED, Ankleshwar,**

hereby appoint \_\_\_\_\_

of \_\_\_\_\_ or failing him \_\_\_\_\_

\_\_\_\_\_ of \_\_\_\_\_

as my/our proxy to vote for me/us on my behalf, at the Tenth Annual General Meeting of the Company to be held on Saturday, the 28th day of September, 2002 at 1.00 p.m. and at any adjournment thereof.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2002.

Please Affix  
One Rupee  
Revenue  
Stamp here

Signature of Member(s)  
across the stamp

**Note :** The proxy must be deposited with 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 time for holding the meeting.

## Book-Post

If undelivered please return to :

**Samrat Pharmachem Limited**

Plot No. A2/3445,

GIDC, Phase 4,

Ankleshwar - 393 002,

Gujarat.

*Designed and printed by*  
Shree Sai Corporation Tel.: 6145132