

22<sup>nd</sup>

A N N U A L  
R E P O R T  
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**Ebers Pharmaceuticals Limited**

**Board of Directors**

**R. Goppu  
A. K. Rathi  
R. K. Das  
Ashok Raval  
S. M. Parande**

**Auditors**

**J.D. PADWAL & Co.**  
Chartered Accountants

Sanjog, 3rd Floor,  
Veer Savarkar Marg,  
Dadar, Mumbai - 400 028.

**Bankers**

**OMAN INTERNATIONAL BANK  
GLOBAL TRUST BANK**



**Registered Office**

103, Shreepal Complex,  
Suren Road, Andheri (East),  
Mumbai - 400 093.

**Registrars and Share Transfer Agents  
BIGSHARE SERVICES PVT. LTD.**

E - 2, Ansa Indl. Estate,  
Saki Vihar Road, Saki Naka,  
Andheri (E), Mumbai - 400 072.

## Notice

NOTICE is hereby given that the Twenty Second Annual General Meeting of the Members of EBERS PHARMACEUTICALS LIMITED will be held on Saturday, the 29th day of September, 2001, at 10.00 a.m., at ALL INDIA INSTITUTE OF LOCAL SELF - GOVERNMENT, STHANIKRAJ BHAVAN, C.D. BARFIWALA MARG, ANDHERI (WEST), MUMBAI - 400 058, to transact the following business :-

### ORDINARY BUSINESS

1. To receive, consider and adopt the Balance Sheet as at 31st March, 2001 and Profit & Loss Account for the year ended on that date and the Reports of the Auditors and Directors thereon.
2. To appoint Directors in place of Mr. Ashok Raval who retires by rotation and being eligible offers himself for reappointment.
3. To appoint Messers J.D.Padwal & Co., Chartered Accountants as the Auditors of the Company to hold office from the conclusion of this Annual General Meeting to the conclusion of the next Annual General Meeting and to fix their remuneration.

### SPECIAL BUSINESS

#### 4. PROVIDING GUARANTEE FOR AGEE GOLD REFINERS LIMITED

To consider and if thought fit, to pass with or without modifications, the following resolution as a Special Resolution :-

**"RESOLVED THAT,** Pursuant to the provisions of Section 372A and other applicable provisions, if any, of the Companies Act, 1956 consent of the shareholders of the Company be and is hereby accorded to the Guarantee provided by the Company to the Global Trust Bank Ltd. for the Agee Gold Refiners Limited, to the extent of Rs. Ten Crores Only on such terms and condition as have been agreed by the Board of Directors of the Company from time to time including providing of collateral security of the investments held by the Company and Resolved further that the said guarantee of Rs. Ten Crores given by the Company be and is hereby approved and

all the action of the Board of Directors in this regard is consented and is here by confirmed and ratified.

5. To consider and if thought fit, to pass with or without modifications, the following resolution as a Special Resolution :-

**"RESOLVED THAT** pursuant to provisions of Section 198, 269, 309 and other applicable provisions, if any, of the Companies Act, 1956 read with Schedule XIII as amended, approval of or the members be and is hereby accorded to the appointment of Mr. Shreedhar Mukund Parande as Managing Director of the Company for a period of five years with effect from 1st December, 2000 without any remuneration. However expenses on Telephone/Fax, Conveyance, Petrol, Motorcar maintenance incurred by him on Company's work shall be reimbursed to him at actuals.

**"Resolved further that** Mr. S. M. Parande shall not be subjected to retirement by rotation during the tenure of 5 years as Managing Director as per Article No.68 of the Article of Association."

6. **"RESOLVED THAT** approval be and the same is hereby accorded keeping with effect from 15th May, 2001 for keeping the Register of Members, the index of members, copies of certificates and documents under the Companies act to which the provisions of sections 163 of said Act with M/s. Bigshares Services Pvt. Ltd., Mumbai were appointed as Registrar and Share Transfer Agent with Demat Connectivity instead of M/s. Nucleus Shares Custodian Services Ltd."

By Order of the Board of Directors

**S. M. PARANDE**  
(Managing Director)

Place : Mumbai,  
Dated : 30. 08. 2001

**Registered Office :-**  
103, Shreepal Complex,  
Suren Road, Andheri (East),  
Mumbai - 400 093.

### NOTES

1. The relative Explanatory Statement pursuant to the provisions of Section 173 of the Companies Act, 1956 in respect of item Nos. 4 to 6 set out above is annexed hereto.
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL ONLY INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT OF THE PROXY IN ORDER TO BE VALID AND EFFECTIVE MUST BE DELIVERED AT THE REGISTERED OFFICE OF THE COMPANY NOT LATER THAN FORTY EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
3. Member are requested to bring their copy of Annual Report to the Meeting.

## **Explanatory Statement**

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

### **Item No.1 : Providing Guarantee for AGEE GOLD REFINERS LTD.**

As stated in the Item No. 1 above Agee Gold Refiners Ltd. is setting up a gold and silver refinery in India with a project cost of Rs. 240 Crores.

The Company was approached by Agee Gold Refiners Ltd., during the Year providing a guarantee of Rs. 20 Crores to Global Trust Bank Ltd. in respect of the short term loan of Rs. 20 Crores availed by them for a period of 6 Months only which was ratified in A.G.M of September, 2000. In continuation of the same Company was once again approached by M/s. Agee Gold for providing further guarantee of Rs. 10 Crores, in respect of the short term loan of 10 Crores availed by them for a period of 6 months. In view of the new business being planned by the Company as stated in item No. 1 above and having regard to the business exigencies it was deemed appropriate by the Board of Directors of the Company to provide guarantee of Rs.10 Crores to Global Trust Bank for short term loan sanctioned to Agee Gold Refiners Ltd. and the pledge of 400000 shares for the same held in investment on such terms as agreed by the Board of Directors of the Company.

In view of the prevailing circumstances the Board deemed it appropriate and in the interest of the Company to provide the said guarantee though the same was in excess of the limits prescribed under Section 372A of the Companies Act, 1956. The Board therefore seek approval of the Shareholders to the Guarantee already provided by the Company as stated above.

None of the Directors of the Company are interested or concerned in the said resolution.

### **Item No. 2 : Appointment of Managing Director**

Mr. S. M. Parande was appointed as Managing Director of the Company by the Board in its meeting held on 28th November, 2000 for a period of 5 years from 01.12.2000 to 30.11.2005 without any remuneration. However expenses on telephone, conveyance, petrol, motorcar incurred by him on Company's work shall be reimbursed to him at actuals. The said appointment is subject to the approval of the members.

In the opinion of the Board, the appointment of Mr. S. M. Parande as Managing Director is in the interests of the Company. Your Directors therefore recommend for your approval of his appointment.

None of the Directors of the Company is concerned or interested in this resolution except Mr. S. M. Parande.

This should be treated as an abstract of the terms of appointment and payment of the remuneration as required to be circulated U/s. 302 of the Companies Act, 1956.

### **Item No. 3 : Change in Share Transfer Agent & NSDL & CDS Connectivity**

Since our Company is listed by The Stock Exchange, Mumbai under B2 Group Companies and under B2 category it is Mandatory to have shares Demated and require to establish connectivity with Central Depository Services (I) Ltd. (CDS) and National Securities Depository Services Ltd. (NSDL). Present Registrar and Transfer Agent M/s. Nucleus Shares Custodian Services Ltd. does not have demat facility. After brief discussion, the Board decided to comply the requirement of Mumbai Stock Exchange and dematerialize Company's Shares. The Board proposed name of M/s. Bigshare Services Pvt. Ltd. for acting as Shares Transfer Agent with demat Connectivity and the same was approved at the Board Meeting held at registered office dated 15th May, 2001. As required under the provisions of section 163 of the said act, the Registrar of Companies, Maharashtra has been given an advance copy of the proposed Special Resolution.

We hereby give notice to Members with a request to address hereafter all the correspondence regarding the transfer and transmission of shares and other related matters to M/s. Bigshare Services Pvt. Ltd. - Mumbai and also informed the members that the Company is made live in the CDS system w.e.f 04/06/2001 and ISIN No. of Company is INE669D01018.

None of the directors of the Company is concerned or interested in the Resolution.

By Order of the Board of Directors

**S. M. PARANDE**  
(Managing Director)

Place : **Mumbai,**  
Dated : **30. 08. 2001**

**Registered Office :-**  
103, Shreepal Complex,  
Suren Road, Andheri (East),  
Mumbai - 400 093.

## Director's Report

To the Members of

### Ebers Pharmaceuticals Limited

Your Directors present the Twenty Second Annual Report of the Company together with the Audited Statement of Accounts for the year ended 31st March, 2001.

### FINANCIAL RESULTS

	(Rs. in lakhs) Current Year 2000-2001	(Rs. in lakhs) Previous Year 1999-2000
Total Income	57.97	0.25
Net Profit/(Loss) before Depreciation	0.77	(47.14)
Add : Depreciation	13.62	13.38
Loss for the year	12.85	60.52
Add : Adjustment in respect previous year	0.37	0.05
Add : Balance brought forward from the previous year	680.24	619.67
Total Loss carried to Balance Sheet	693.46	680.24

### OPERATIONS

During the year, the Company achieved total income of Rs. 0.77 Lacs compared to loss of 3.48 lacs in Previous Year which is a indication of small improvement compare to Previous Year. Since the Global financial conditions are still not improved the Exports and Local Market is heavily affected but Company is still trying and hopeful for better working in Current Year.

### DIRECTORS

Mr. Ashok Raval retires by rotation and being eligible, offers himself for re-appointment.

Mr. Anuj Kumar Rathi and Mr. R. Goppu resigned from directorship with effect from 28.08.2001. The Board wish to place on record their sincere appreciation for guidance provided by them.

### AUDITORS

M/s. J. D. Padwal & Co., Chartered Accountants retire at the ensuing Annual General Meeting and being eligible offers themselves for re-appointment.

### AUDITORS REPORT

Pursuant to the provisions of Section 217(3) of the Companies Act, 1956 the explanations in respect of the observation made in the Auditors Report are as under :

- i) The management is making all efforts and is hopeful of recoveries and therefore no provision for doubtful debts have been made in respect of Sundry debtors and advances of Rs. 60.60 Lacs.
- ii) Suitable special resolutions pursuant to the requirement of Section 372A are proposed for the approval of the members of the Company at the ensuing Annual General Meeting.
- iii) Other observation made are self explanatory.

### PARTICULARS OF EMPLOYEES

There are no employees 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.

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

Information required to be given pursuant to Section 217(1)(e) read with Companies (Disclosure of Particulars in the report of the Board of Directors) Rules, 1988 are given in Annexure annexed to this report.

### ACKNOWLEDGEMENT

Your Directors wish to place on record their appreciation and acknowledge with gratitude, the support and co-operation extended to the Company by the employees at all level, Bankers, the Central and State Governments and the Shareholders.

For and on behalf of the Board of Directors

**S. M. PARANDE**  
(Managing Director)

Mumbai : 30.08.2001

**ANNEXURE TO DIRECTOR'S REPORT**

**I] FORM OF DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY**

**A. Power and Fuel Consumption :-**

	<b>Current Year 31.03.2001</b>	<b>Previous Year 31.03.2000</b>
1. Electricity		
a) Purchased Unit (KWH)	NIL	NIL
Total Amount (Rs.)	NIL	NIL
Average Rate/Unit (Rs./KWH)	NIL	NIL
b) Own generation	NIL	NIL
2. Coal	NIL	NIL
3. a) LDO (Light Diesel Oil)	NIL	NIL
Quantity (Litres)		
Total Amount (Rs.)	NIL	NIL
Average Rate (Rs./Litre)	NIL	NIL
b) Consumption per unit of production :-	NIL	NIL
No new technology is innovated or adopted in the manufacturing process during the year.		
c) Foreign Exchange Earnings : Rs. -	NIL	NIL
Foreign Exchange and Outgo : Rs. -	NIL	NIL

For and on behalf of the Board of Directors

**S. M. PARANDE**  
(Managing Director)

Mumbai : 30.08.2001



## Auditor's Report

To the Members of

**EBERS PHARMACEUTICALS LIMITED**

We have audited the attached Balance Sheet of Ebers Pharmaceuticals Limited as at 31st March, 2001 and the annexed Profit & Loss Account for the year ended on that date and report that :-

1. 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.
2. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of such books.
3. The Balance Sheet and Profit & Loss Account referred to in this report are in agreement with the books of account.
4. In our opinion, the Profit and Loss Account and Balance Sheet comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956.
5. On the basis of the written representations received from the directors and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2001 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
6. In our opinion and to the best of our information and according to explanations given to us, the said Balance Sheet and Profit & Loss Account subject to (i) note No. 2 in Schedule 18 regarding non provision of the doubtful debts and advances to the extent of Rs. 60.60 lacs. ii) Guarantees given by the company referred in note no.3 are in excess of the limits specified in Section 372A of the Companies Act 1956 to the extent of Rs.10.00 crores iii) the Cash on hand of Rs. 4,13,590/- as on 31.3.2001 as shown in Schedule - 9 to the Balance Sheet was not verified by us; and read with other notes thereon, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view :
  - a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2001 and
  - b) in the case of the Profit & Loss Account, of the loss for the year ended on that date.
7. As required by the Manufacturing & Other Companies (Auditor's Report) Order 1988, issued by the Central Government and on the basis of such checks as we considered appropriate and according to the information and explanations given to us, we report as under :-
  - i) The Company has maintained records showing full particulars including quantitative details and situation of fixed assets except for the Plant & Machineries and Furniture and Fixtures installed at Company's Plant situated at Rabale, Thane Belapur Road, Thane. We were informed that the fixed assets have been physically verified by the management at reasonable intervals and no material discrepancies have been noticed on such verification. However Plant & Machineries and Furniture & Fixtures have been kept in dismantled condition, the same could not be verified by us.
  - ii) None of the fixed assets of the company have been revalued during the year.
  - iii) Physical verification has been conducted by the management at periodical intervals in respect of finished goods and raw materials.
  - iv) The procedures followed by the Management for such physical verification are, in our opinion, needs to be strengthened as to its frequencies so as to be commensurate with its size and nature of its business.
  - v) The material discrepancies noticed on such verification between the physical stock and the book records have been properly dealt with in the books of account.
  - vi) In our opinion, the valuation of stock is fair and proper in accordance with the normally accepted accounting principles and is on the same basis as in the preceeding year.

- vii) The Company has taken unsecured loans from companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956. The terms and conditions of such loans are not prima facie prejudicial to the interest of the Company. As explained to us there are no companies under the same management as defined under Sub-section (1B) of Section 370 of the companies Act, 1956.
- viii) The Company has not granted any loans secured or unsecured to Companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956. As explained to us, there are no Companies under the same management as defined under Sub-section (1B) of Section 370 of the Companies Act, 1956.
- ix) In respect of loans or advances in the nature of loans given by the Company, to the employees as interest free advance the employees are generally repaying the principal amounts as stipulated. As regards advances given to others to the extent of Rs. 3.77 lacs no amount is repaid during the year and is considered doubtful of recovery.
- x) There are adequate internal control procedures commensurate with the size of the Company and nature of its business for the purchase of raw material, equipment and other assets and sale of goods.
- xi) According to the information and explanations given to us, there have been no transactions entered into during the year with different parties for purchase and sale of goods in pursuance of contracts or arrangements entered in the register 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.
- xii) The Company has neither determined nor made any provision for the loss on account of any unserviceable or damaged raw material or finished goods.
- xiii) The Company has not accepted deposits during the year.
- xiv) The Company's operations do not generate any realisable by products. In our opinion reasonable records have been maintained by the company for the sale and disposal of scrap.
- xv) The internal audit system of the Company needs to be strengthened as to its scope and frequency so as to be commensurate with size and nature of its business.
- xvi) The Company has not maintained cost records as prescribed by the Central Government under Section 209(1)(d) of the Companies Act, 1956.
- xvii) According to the information made available to us there have been delays in depositing Provident fund and Employees State Insurance dues with concerned authorities.
- xviii) According to the information and explanations given to us and the books and records examined by us, there are no undisputed amounts payable in respect of income tax, sales-tax, customs and excise duty outstanding as at the Balance Sheet date for a period exceeding six months from the date they become payable.
- xix) 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.
- xx) We were informed that the Company being in the SSI sector, the provisions of the Sick Industrial Companies (Special Provisions) Act, 1985 are not applicable as provided in Section 3(1)(f) of the said Act.
- xxi) In respect of Company's trading activity, according to the explanations given to us, no damaged goods have been determined.

for J. D. PADWAL & CO.  
Chartered Accountants

J. D. PADWAL  
Proprietor

Mumbai : 30.08. 2001

**Balance Sheet as at 31st March, 2001**

	Schedule No.	AS AT 31.03.2001 Rupees	AS AT 31.03.2000 Rupees
<b>SOURCES OF FUNDS</b>			
<b>Shareholder's Funds</b>			
a) Share Capital	1	34,426,450	34,426,450
b) Reserves & Surplus	2	6,672,346	6,672,346
		<u>41,098,796</u>	<u>41,098,796</u>
<b>Loan Funds</b>			
a) Secured Loan	3	—	2,532,136
b) Unsecured Loans	4	66,995,403	66,249,930
		<u>66,995,403</u>	<u>68,782,066</u>
<b>TOTAL</b>		<u><b>108,094,199</b></u>	<u><b>109,880,862</b></u>
<b>APPLICATION OF FUNDS</b>			
<b>Fixed Assets</b>			
a) Gross Block	5	30,193,197	29,800,179
b) Less Depreciation		14,995,184	13,632,824
c) Net Block		<u>15,198,013</u>	<u>16,167,355</u>
<b>Investments :</b>	6	40,010,000	40,010,000
<b>Current Assets, Loans &amp; Advances</b>			
a) Inventories	7	1,750,433	955,139
b) Sundry Debtors	8	5,781,877	8,874,440
c) Cash & Bank Balances	9	800,982	847,785
d) Loans & Advances	10	5,956,323	5,663,975
		<u>14,289,615</u>	<u>16,341,339</u>
Less : Current Liabilities & Provisions	11	31,079,706	31,126,852
		<u>(16,790,091)</u>	<u>(14,785,513)</u>
<b>Miscellaneous Expenditure</b> (To The Extent Not Written Off Or Adjusted)	12	330,534	465,204
<b>Profit &amp; Loss Account</b>		<u>69,345,743</u>	<u>68,023,816</u>
<b>TOTAL</b>		<u><b>108,094,199</b></u>	<u><b>109,880,862</b></u>
<b>Notes on Accounts</b>	18		

As per report of even date  
For **J. D. PADWAL & Co.**  
Chartered Accountants

For and on behalf of the Board

**J. D. PADWAL**  
Proprietor

**S. M. PARANDE**  
(Managing Director)

**R. K. DAS**  
(Director)

**ASHOK RAVAL**  
(Director)

Place : Mumbai  
Date : 30.08 2001



## Profit & Loss Account for the year ended 31st March, 2001

	Schedule No.	AS AT 31.03.2001 Rupees	AS AT 31.03.2000 Rupees
<b>INCOME</b>			
Sales		1,907,273	794,664
Other Income	13	2,508,025	673,991
Increase / (Decrease) in Stock	14	1,381,637	(1,443,814)
		<b><u>5,796,935</u></b>	<b><u>24,841</u></b>
<b>EXPENDITURE</b>			
Materials Consumed	15	2,241,066	—
Cost of Trading Goods		38,934	34,334
Cost of Material Written off		3,322	402,401
Finished Goods / Work in Process Written off		767,807	1,331,188
Operating Expenses	16	2,523,617	2,628,957
Interest & Finance Charges	17	145,086	342,124
Depreciation		1,362,360	1,337,822
		<b><u>7,082,192</u></b>	<b><u>6,076,826</u></b>
<b>PROFIT / (LOSS)</b>		(1,285,257)	(6,051,985)
Balance brought forward		(68,023,816)	(61,966,807)
Adjustment in respect of Previous Year		(36,670)	(5,024)
Balance carried to Balance Sheet		<b><u>(69,345,743)</u></b>	<b><u>68,023,816</u></b>
Notes on Account	18		

As per report of even date  
**For J. D. PADWAL & Co.**  
Chartered Accountants

For and on behalf of the Board

**J. D. PADWAL**  
Proprietor

**S. M. PARANDE**  
(Managing Director)

**R. K. DAS**  
(Director)

**ASHOK RAVAL**  
(Director)

Place : Mumbai  
Date : 30.08 2001

**Schedules forming part of Balance Sheet as at 31st March, 2001**

	AS AT 31.03.2001 Rupees	AS AT 31.03.2000 Rupees
<b>SCHEDULE "1"</b>		
<b>SHARE CAPITAL</b>		
<b>Authorised</b>		
5000000 Equity Shares of Rs. 10/- each	<u>50,000,000</u>	<u>50,000,000</u>
<b>ISSUED, SUBSCRIBED &amp; PAID - UP</b>		
3,385,540 Equity Shares of Rs.10/- Each fully paid up	<u>33,855,400</u>	<u>33,855,400</u>
ADD : Shares Forfeited Account	<u>571,050</u>	<u>571,050</u>
	<u><u>34,426,450</u></u>	<u><u>34,426,450</u></u>
<b>SCHEDULE "2"</b>		
<b>RESERVES &amp; SURPLUS</b>		
1. Capital Reserve	<u>67,000</u>	<u>67,000</u>
2. Investment Allowance Reserve	<u>471,869</u>	<u>471,869</u>
3. Revaluation reserve	<u>6,133,477</u>	<u>6,133,477</u>
	<u><u>6,672,346</u></u>	<u><u>6,672,346</u></u>
<b>SCHEDULE "3"</b>		
<b>SECURED LOANS</b>		
<b>A) From Bank</b>		
(Secured by hypothecation of Book Debts, Raw Material, Finished Goods, Goods in process, Plant & Machinery and Personal Guarantees of Directors)	<u>—</u>	<u>2,532,136</u>
	<u><u>—</u></u>	<u><u>2,532,136</u></u>
<b>SCHEDULE "4"</b>		
<b>UNSECURED LOANS</b>		
1. From Corporate Bodies	<u>59,866,044</u>	<u>59,120,571</u>
2. Others	<u>7,129,359</u>	<u>7,129,359</u>
	<u><u>66,995,403</u></u>	<u><u>66,249,930</u></u>

As per report of even date  
For **J. D. PADWAL & Co.**  
Chartered Accountants

For and on behalf of the Board

**J. D. PADWAL**  
Proprietor

**S. M. PARANDE**  
(Managing Director)

**R. K. DAS**  
(Director)

**ASHOK RAVAL**  
(Director)

Place : Mumbai  
Date : 30.08 2001

## Schedules forming part of Balance Sheet as at 31st March, 2001

### SCHEDULE "5"

#### FIXED ASSETS

DESCRIPTION OF ASSETS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	AS AT 01.04.2000	ADDITIONS DURING YEAR	DELETION DURING YEAR	TOTAL AS AT 31.03.2001	AS AT 01.04.2000	FOR THE YEAR	DEDUCTION DURING YEAR	TOTAL AS AT 31.03.2001	AS AT 31.03.2001	AS AT 31.03.2000
FACTORY BUILDING	19,208,662	NIL	NIL	19,208,662	6,422,617	641,569	NIL	7,064,186	12,144,476	12,786,045
PLANT & MACHINERY	4,821,733	NIL	NIL	4,821,733	2,981,984	229,032	NIL	3,211,016	1,610,717	1,839,749
OFFICE EQUIPMENTS	831,887	6,000	NIL	837,887	625,385	134,804	NIL	760,189	77,698	206,502
FURNITURE & FITTINGS	639,615	387,018	NIL	1,026,633	373,302	64,986	NIL	438,288	588,345	266,313
DIES & TOOLS	293,871	NIL	NIL	293,871	285,593	NIL	NIL	285,593	8,278	8,278
RESEARCH & DEVELOPMENT	2,637,589	NIL	NIL	2,637,589	1,896,251	186,478	NIL	2,082,729	554,860	741,338
LAB & EQUIPMENT	1,002,303	NIL	NIL	1,002,303	811,749	70,863	NIL	882,612	119,691	190,554
MOTOR VEHICLES	364,519	NIL	NIL	364,519	235,943	34,628	NIL	270,571	93,948	128,576
<b>TOTAL</b>	<b>29,800,179</b>	<b>393,018</b>	<b>NIL</b>	<b>30,193,197</b>	<b>13,632,824</b>	<b>1,362,360</b>	<b>NIL</b>	<b>14,995,184</b>	<b>15,198,013</b>	<b>16,167,355</b>
<b>PREVIOUS YEAR</b>	<b>29,800,179</b>	<b>NIL</b>	<b>NIL</b>	<b>29,800,179</b>	<b>12,295,002</b>	<b>1,337,822</b>	<b>NIL</b>	<b>13,632,824</b>	<b>16,167,355</b>	<b>17,505,177</b>

NOTE : Block of Factory Building As At 31.03.2001 includes Rs. 61,33,477 on account of revaluation.

<b>AS AT</b>	<b>AS AT</b>
<b>31.03.2001</b>	<b>31.03.2000</b>
<b>Rupees</b>	<b>Rupees</b>

### SCHEDULE "6"

#### INVESTMENTS

##### Other Investments (at cost)

##### 1. QUOTED :

400000 fully paid up Equity Shares of Rs.10/- each of Agee Gold Refiners Limited  
Market Value of quoted investment as on 31.03.2001 Rs.1262.60 Lacs  
(Previous Year Rs. 528 Lacs)

<b>40,000,000</b>	<b>40,000,000</b>
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##### 2. UNQUOTED :

1000 fully paid up Equity Shares of Rs.10/- each of Sarswat Co-Op. Bank Ltd.

<b>10,000</b>	<b>10,000</b>
---------------	---------------

<b>40,010,000</b>	<b>40,010,000</b>
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### SCHEDULE "7"

#### INVENTORIES

(As taken valued and certified by Management on which Auditors have relied)

a) Raw Materials & Packing Materials

<b>368,796</b>	<b>955,139</b>
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b) Work-in-process

<b>24,480</b>	<b>—</b>
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c) Finished Goods

<b>1,357,157</b>	<b>—</b>
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<b>1,750,433</b>	<b>955,139</b>
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**Schedules forming part of Balance Sheet as at 31st March, 2001**

	AS AT 31.03.2001 Rupees	AS AT 31.03.2001 Rupees	AS AT 31.03.2000 Rupees
<b>SCHEDULE "8"</b>			
<b>SUNDRY DEBTORS</b>			
(Unsecured, considered good unless otherwise stated)			
1. Debts Outstanding for a period exceeding Six months			
a) Considered good	2,937,604		6,083,791
b) Considered Doubtful	<u>2,683,003</u>		<u>2,564,249</u>
		5,620,607	8,648,040
2. Other Debts		<u>161,270</u>	<u>226,400</u>
<b>TOTAL</b>		<u><u>5,781,877</u></u>	<u><u>8,874,440</u></u>
<b>SCHEDULE "9"</b>			
<b>CASH AND BANK BALANCES</b>			
1. Cash on Hand		413,590	389,779
2. Cash With Scheduled Banks			
a) On Current Accounts		87,392	155,506
b) On F.D.R. Accounts		300,000	300,000
c) On Margin Accounts		—	2,500
		<u>800,982</u>	<u>847,785</u>
<b>SCHEDULE "10"</b>			
<b>LOANS AND ADVANCES</b>			
(Unsecured, considered Good unless otherwise stated)			
1. Advances Recoverable in Cash or kind			
a) Considered Good	1,754,845		2,379,807
b) Considered Doubtful	<u>1,591,932</u>		<u>943,368</u>
		3,346,777	3,323,175
2. Advances to Supplier for Raw Materials & Expenses			
a) Considered Good	—		50,696
b) Considered Doubtful	<u>1,408,767</u>		<u>1,373,600</u>
		1,408,767	1,424,296
3. Deposits		812,862	491,305
4. Others			
a) Considered Good	11400		425,199
b) Considered Doubtful	<u>376517</u>		<u>—</u>
		<u>387,917</u>	<u>—</u>
		<u><u>5,956,323</u></u>	<u><u>5,663,975</u></u>
<b>SCHEDULE "11"</b>			
<b>CURRENT LIABILITIES &amp; PROVISIONS</b>			
1. Sundry Creditors		26,886,563	25,929,589
2. Advance from Customers		3,798,305	4,380,226
3. Other Liabilities		394,838	817,037
		<u>31,079,706</u>	<u>31,126,852</u>
<b>SCHEDULE "12"</b>			
<b>MISCELLANEOUS EXPENDITURE</b>			
(to the extent not written off or adjusted)			
Right Issue Expenses		465,204	599,874
Less Written Off		<u>134,670</u>	<u>134,670</u>
		<u><u>330,534</u></u>	<u><u>465,204</u></u>

**Schedules forming part of the Profit & Loss Account for the year  
ended 31st March, 2001**

	Year ended 31.03.2001 <u>Rupees</u>	Year ended 31.03.2000 <u>Rupees</u>
<b>SCHEDULE "13"</b>		
<b>OTHER INCOME :</b>		
Service Charges	1,047,124	596,380
Interest received	77,063	—
Miscellaneous Balances written back	889,882	46,753
Sales Tax Refund	60,020	30,858
Guarantee Commission	424,657	—
Miscellaneous Income	9,279	—
	<u>2,508,025</u>	<u>673,991</u>
<b>SCHEDULE "14"</b>		
Increase / (Decrease) in Finished Goods and Work in Process		
Opening Stock		
Finished Goods	—	1,959,188
Work in Process	—	133,152
	—	<u>2,092,340</u>
Add : Goods returned	767,807	683,399
Less : Goods distributed as free sample	—	737
Less : Goods written off / Expiry	767,807	1,198,036
Less : Work in Process written off	—	133,152
	—	<u>1,443,814</u>
<b>Deduct :</b>		
Closing Stock		
Finished Goods	1,357,157	—
Work in Process	24,480	—
	<u>1,381,637</u>	<u>—</u>
<b>INCREASE / (DECREASE) IN STOCK</b>	<u>1,381,637</u>	<u>(1,443,814)</u>
<b>SCHEDULE "15"</b>		
<b>Cost of Raw &amp; Packing Material Consumed</b>		
Opening Stock	955,139	603,986
Add : Purchases	1,696,979	787,888
Less : Materials Transferred to Trading Goods	38,934	34,334
Less : Materials Written off / Testing	3,322	402,401
	<u>2,609,862</u>	<u>955,139</u>
Less : Closing Stock	368,796	955,139
Material Consumed	<u>2,241,066</u>	<u>—</u>

**Schedules forming part of the Profit & Loss Account for the year  
ended 31st March, 2001**

	Year ended 31.03.2001 <u>Rupees</u>	Year ended 31.03.2000 <u>Rupees</u>
<b>SCHEDULE "16"</b>		
<b>OPERATING EXPENSES :</b>		
Payments to and Provisions for Employees :		
Salaries & Wages	657,529	914,856
Contribution to Provident & Other Funds	63,419	99,988
Staff Welfare Expenses	34,150	79,118
	<b>755,098</b>	<b>1,093,962</b>
Manufacturing Expenses	338,062	—
Rent, Rates & taxes	486,995	528,995
Excise Duty	—	84,201
Sales Tax	200	3,000
Marketing & Promotional Expenses	—	132,080
Carriage Outwards	2,867	—
Travelling & Conveyance	78,610	221,879
Printing & Stationery	10,305	49,466
Postage, Telegram & Telephone	19,133	31,368
Computer Expenses	—	1,550
Auditor's Remuneration	21,000	20,000
Right Issue Expenses Written Off	134,670	134,670
Repairs & Maintenance	16,638	12,633
Miscellaneous Expenses	450,039	315,153
Guest House Expenses	210,000	—
	<b>2,523,617</b>	<b>2,628,957</b>
<b>SCHEDULE "17"</b>		
<b>INTEREST &amp; FINANCE CHARGES :</b>		
Interest on Fixed Loans	2,961	342,124
Others	142,125	—
	<b>145,086</b>	<b>342,124</b>



**SCHEDULE "18" :**

**SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS**

**I] SIGNIFICANT ACCOUNTING POLICIES :**

**a. BASIS FOR PREPARATION OF FINANCIAL STATEMENTS :**

- i) The financial statements have been prepared in accordance with the Accounting Standards which are mandatory and specified by the Institute of Chartered Accountants of India and the relevant provisions of the Companies Act, 1956.
- ii) The Company generally follows accrual concept of accounting.

**b. INVESTMENTS :**

Investments are accounted for at cost.

**c. FIXED ASSETS :**

Fixed assets are stated at cost of acquisition less accumulated depreciation except the Building which is stated at its revalued price.

**d. DEPRECIATION :**

Depreciation has been provided on Straight Line basis at the rates prescribed in Schedule XIV to the Companies Act, 1956.

**e. INVENTORIES :**

Raw materials and Semifinished products are carried at cost. Cost is arrived after adding the expenses incurred such as Octroi, Freight etc., but excludes the credit under Cenvat and set off against Sales Tax. Finished goods are valued at cost as declared with excise department for the purpose of charging Excise Duty plus excise duty paid, if any.

**f. EXCISE DUTY :**

It is Company's practice to account for the Excise Duty payable at the time of despatch of the goods.

**g. RETIREMENT BENEFIT :**

- a) Contribution towards Provident Fund is accounted when the liability arises.
- b) Gratuity liability in respect of employees covered under payment of Gratuity Act, 1972 is worked out by the management on the presumption that all employees retire at the end of the year and is provided for in the accounts.

**h. MISCELLANEOUS EXPENDITURE :**

Right issue expenses are amortised over a period of ten years.

**II] NOTES ON ACCOUNTS :**

- 1. The manufacturing operations in the Company's plant located

at Plot No. R-274, M.I.D.C., T.T.C. Industrial Area, Rabale, Thane Belapur Road, Thane-400 701, remained suspended consecutively for the second year and plant & machineries installed thereon have been dismantled. The Company has no intention to start the pharmaceutical manufacturing activity at said Plant. However the company is planning to continue the manufacturing activities only on loan license basis, the accounts of the company have been prepared on the concept that the company will continue as a going concern.

- 2. Sundry Debtors includes Rs. 26.83 Lacs (Previous Year Rs. 25.64 Lacs), and Loans & Advances to suppliers & others includes Rs. 33.77 Lacs (Previous Year Rs. 23.17 Lacs), which are outstanding for the period exceeding two year and are doubtful of recovery. In the opinion of the Management the said amounts are good and recoverable and no provision is considered necessary in the accounts.
- 3. The Company has given guarantees to the extent of Rs. 30.00 crores during the year to Global Trust Bank Ltd. out of the above guarantees given, sanction from members was obtained to the extent of Rs. 20.00 Crores.
- 4. The Company has pledged 4.00 Lacs shares of Agee Gold Refiners Ltd. included in investments as a collateral security with Global Trust Bank Ltd. for the term loan facility availed by another Company.
- 5. Confirmations have not been obtained from certain parties in respect of Unsecured Loans, Loans & Advances, Sundry Deposit, Sundry Debtors and Sundry Creditors.
- 6. Auditor's Remuneration :

	Year ended 31.03.2001 (Rs.)	Year ended 31.03.2000 (Rs.)
Audit Fees	20,000	20,000
Certification Fees	1,000	NIL
	<b>21,000</b>	<b>20,000</b>

- 7. In the absence of assessable profit, no provision for taxation is made in the accounts.

**8. Contingent Liabilities :**

- a) The Central excise demand against which the Company has preferred an appeal amounting to Rs. 20,04,755/- (Previous Year Rs. 634895/-).
- b) The Income Tax demand against which the Company has preferred an appeal amounting to Rs. 1,89,192/- (Previous Year Rs. 1,89,192/-).
- c) Bank Guarantee in favour of Global Trust Bank for Term Loan to Agee Gold Refiners Ltd. to the extent of Rs. 30.00 crores (Previous Year Rs. NIL).

- 9. Previous year figures have been regrouped wherever necessary.

**10. ADDITIONAL INFORMATION IN PURSUANT TO PART II OF SCHEDULE VI OF THE COMPANIES ACT, 1956.**

**I) Manufacturing Activities**

**(a) Particulars of Production, Stock and Sales**

**(Rs. in Lacs)**

Formulation	Unit	Opening Stock 01.04.2000		Production 2000-2001		Goods Returned During the year		Turnover During the year		Free Samples		Written Off As on 31.03.2001		Closing Stock	
		Qty	Value	Qty	Value	Qty	Value	Qty	Value	Qty	Value	Qty	Value	Qty	Value
1. Liquid Injectable and Eye/Ear drops	Ltrs.	0.000	0.000	1808.720	108.486	1.956	1.283.660	12.44	0.000	0.000	108.486	1.956	525.060	5.070	
		(253.255)	(4.660)	(0.000)	(46.716)	(0.873)	(277.29)	(3.535)	(0.205)	(0.004)	(22.476)	(0.426)	(0.000)	(0.000)	
2. Capsules	No. in ooo	0.000	0.000	288.260	48.75	1.571	98.800	0.711	0.000	0.000	48.750	1.571	189.460	1.360	
		(181.022)	(6.224)	(0.000)	(58.146)	(1.758)	(40.54)	(0.455)	(0.10)	(0.003)	(198.528)	(7.194)	(0.000)	(0.000)	
3. Tablets	Million Nos.	0.000	0.000	3.489	221.516	4.151	1.843	5.504	0.000	0.000	221.516	4.151	1.846	7.140	
		(0.73)	(8.696)	(0.000)	(0.325)	(4.199)	(0.684)	(3.733)	(0.000)	(0.000)	(0.371)	(4.343)	(0.000)	(0.000)	
4. Liquid Oral	Ltrs.	0.000	0.000	0.000	0.850	0.000	0.000	0.000	0.000	0.000	0.850	0.000	0.000	0.000	
		(83.00)	(0.012)	(0.000)	(26.00)	(0.004)	(0.000)	(0.000)	(0.000)	(0.000)	(109.000)	(0.017)	(0.000)	(0.000)	
<b>TOTAL</b>			0.000		7.678		18.655		0.000		7.678		13.570		
			(19.592)		(6.834)		(7.723)		(0.007)		(11.980)		0.000		

**(b) Consumption of Raw Material & Packing Material**

	For the Year ended 31.03.2001		For the year ended 31.03.2000	
	Qty.	Value (Rs. in lacs)	Qty.	Value (Rs. in lacs)
Pharma Bulk Drug & excipients (Units in kg)	420.40	12.27	Nil	Nil
Other's	Nil	10.14	Nil	Nil
		<u>22.41</u>		<u>Nil</u>

**(c) Consumption of Imported and Indigenous Raw & Packing Materials**

	For the Year ended 31.03.2001		For the year ended 31.03.2000	
	Value (Rs. in lacs)	% of total Consumption	Value (Rs. in lacs)	% of total Consumption
Indigenous	22.41	100%	NIL	NIL

**II. Trading Activities**

**Particulars of Opening Stock, Closing Stock, Purchases and Sales**

Class of Goods	Opening Stock 01.04.2000		Transfer from Opening Stock of Material		Purchases During the year		Sales During the year		Closing Stock As At 31.03.2001	
	Qty.	Value	Qty.	Value	Qty.	Value	Qty.	Value	Qty.	Value
1. Pharma Bulk Drugs & Excipients (Units in kg)	Nil (Nil)	Nil (Nil)	71.638 (193.58)	0.095 (0.28)	Nil (Nil)	Nil (Nil)	71.638 (193.58)	0.095 (0.170)	Nil (Nil)	Nil (Nil)
2. Others (Units in No's)	Nil (Nil)	Nil (Nil)	60315 (16,525)	0.294 (0.06)	Nil (Nil)	Nil (Nil)	60315 (16,525)	0.322 (0.054)	Nil (Nil)	Nil (Nil)
		Nil (Nil)		0.389 (0.34)		Nil (Nil)		0.417 (0.224)		Nil (Nil)

11. CIF value of Import Rs. Nil (Previous Year Rs. Nil)
12. Expenditure on Foreign Currency Rs. Nil (Previous Year Rs. NIL)
13. F.O.B. value of Exports Rs. NIL (Previous Year Rs. NIL)
14. Amount including interest if any, due to Small Scale and Ancillary undertaking if any, could not be disclosed as such parties could not be identified from the records of the Company.
15. Managerial Remuneration.

	Year ended 31.03.2001	Year ended 31.03.2000
Salary	NIL	254,940
Contribution to PF	NIL	18,216
Other Perquisites & Allowances	13,725	146,575
	<u>13,725</u>	<u>419,731</u>

16. Additional information as required under part IV of Schedule VI to the Companies Act, 1956 is annexed herewith.

As per our report of even date  
For J.D. Padwal & Co.

For and on behalf of the Board

**J. D. Padwal**  
Proprietor

**S. M. Pranade**  
(Managing Director)

**R. K. Das**  
(Director)

**Ashok Raval**  
(Director)

Mumbai : 30.08.2001



**Additional information as required under part IV of Schedule VI to the Companies Act, 1956 Balance Sheet Abstract and Company's General Business Profile**

**I. REGISTRATION DETAILS**

Registration No.	20676	State Code	11
Balance Sheet Date	31 03 2001		
	Day Month Year		

**II. CAPITAL RAISED DURING THE YEAR (Amount in Rs. Thousands)**

Public Issue	Nil	Right Issue	Nil
Bonus Issue	Nil	Private Placement	Nil

**III. POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS (Amount in Rs. Thousands)**

<b>Total Liabilities</b>	108094	<b>Total Assets</b>	108094
<b>Sources of Funds</b>		<b>Application of Funds</b>	
Paid-up Capital	34426	Net Fixed Assets	15198
Reserves & Surplus	6672	Investments	40010
Secured Loans	—	Net Current Assets	(16790)
Unsecured Loans	66996	Misc. expenditure	330
		Accumulated Loss	69346

**IV. PERFORMANCE OF COMPANY (Amount in Rs. Thousands)**

Turnover	5797	Total Expenditure	7082
Loss Before Tax	1285	Loss After Tax	1285
Earning Per Share	N I L	Dividend Rate %	N I L

**V. GENERIC NAME OF THREE PRINCIPAL PRODUCTS/SERVICES OF THE COMPANY**

Item Code No. (ITC Code)	KASPAR000	Product Description	KSPAR
Item Code No. (ITC Code)	DEXCD005	Product Description	DEXABER-C
Item Code No. (ITC Code)	SALASM50	Product Description	SALASMA SYRUP

**Cash Flow Statement Prepared pursuant to Clause 32 of listing agreement for the period ended 31st March, 2001**

	2001 Rs.	2001 Rs.	2000 Rs.
<b>A. CASH FLOW FROM OPERATING ACTIVITIES :</b>			
Net Loss before tax and extraordinary items	(1,285,257)		(6,051,985)
<b>Adjustments for :</b>			
Depreciation	1,362,360		1,337,822
Right Issue Expenses Written Off	134,670		134,670
Interest and Finance Charges	145,086		342,124
Prior Year Adjustment	(36,670)		(5,024)
<b>Operating Loss before Working Capital changes</b>	<b>320,189</b>		<b>(4,242,393)</b>
<b>Adjustments for :</b>			
Decrease in Trade & Other receivables	3,092,563		1,658,645
Increase in Trade Payable	(189,271)		(467,331)
Increase in Inventories	(795,294)		1,741,187
Interest and Finance charges paid	(2,961)		(348,374)
<b>Net cash from operating activities</b>		<b>2,425,226</b>	<b>(1,658,266)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>			
(Purchase) of Fixed Assets	(393,018)		NIL
Purchase of Investment	NIL		(40,000,000)
<b>Net Cash used in investing activities</b>		<b>(393,018)</b>	<b>(40,000,000)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES :</b>			
Increase in Borrowings	(1,786,663)		41,427,260
Increase in Loan & Advances	(292,348)		272,911
<b>Net cash used in Financing activities</b>		<b>(2,079,011)</b>	<b>41,700,171</b>
Net increase in Cash & Cash Equivalents		<b>(46,803)</b>	41,905
Cash & Cash Equivalents (Opening Balance)		<b>847,785</b>	805,880
Cash & Cash Equivalents (Closing Balance)		<b>800,982</b>	847,785

For and behalf of the Board of Directors

Mumbai : 30.08. 2001

**S. M. PRANADE**  
Managing Director

**AUDITORS' CERTIFICATE**

We have verified the above Cash Flow Statement of Ebers Pharmaceuticals Limited prepared pursuant to the requirements of Clause 32 of the listing agreement with Stock Exchange and derived from the audited financial statements for the year ended 31st March, 2001 and found the same to be drawn in accordance therewith.

For **J.D. PADWAL & CO.**  
Chartered Accountants

**J.D. PADWAL**  
Proprietor

Mumbai, 30. 08 . 2001