

**14th
Annual Report
2000-2001**



**NEOCURE
THERAPEUTICS LIMITED**

BOARD OF DIRECTORS

Sri.D.Krishna Kumar Raju
Sri. D.Sreerama Raju
Sri.P.V.V.Prasad
Sri.U.L.Ramanaiah

Chairman & Managing Director
Director
Director
Director

BANKERS

The Karnataka Bank Limited
Manasa Bank Ltd.
Bank of India

AUDITORS

M/s. MOGILI SRIDHAR & CO.,
Chartered Accountants,
6-3-655/2/3, 1st Floor,
Somajiguda,
Hyderabad - 500 082.

REGISTERED OFFICE

G-4/B, SEIE,
Kattedan,
Hyderabad - 500 077.

SHARE TRANSFER AGENTS

M/s. AARTHI CONSULTANTS PRIVATE LIMITED
1-2-285, DOMALGUDA,
HYDERABAD - 500 029.

**NOTICE**

NOTICE is hereby given that the 14TH Annual General Meeting of M/s NEOCURE THERAPEUTICS LIMITED will be held on Monday, the 30th day of July, 2001, at 11 A.M. at the Registered Office of the Company at G-4/3, SEIE, Kattedan, Hyderabad - 500 077, to consider the following Business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2001 and the Profit and Loss Account for the year ended on that date and the Reports of the Directors and the Auditors thereon.
2. To appoint a Director in place of Sri D.Sree Rama Raju who retires by rotation and being eligible offers himself for reappointment.
3. To appoint Auditor and fix their remuneration.

SPECIAL BUSINESS:

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

"RESOLVED THAT Mr.P.V.V.Prasad who was appointed as an Additional Director of the company by the Board, who ceases to hold office under section 260 of the Companies Act, 1956 and in respect of whom the company has received a notice in writing proposing his candidature for the office of Director, be and is hereby appointed as Director of the Company".

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

"RESOLVED THAT Mr.U.L.Ramanaiah who was appointed as an Additional Director of the company by the Board, who ceases to hold office under section 260 of the Companies Act, 1956 and in respect of whom the company has received a notice in writing proposing his candidature for the office of Director, be and is hereby appointed as Director of the Company".

6. To consider and if thought fit, to pass with or without modification the following Resolution as a Special Resolution:

"RESOLVED that pursuant to Section 17 (1) of the Companies Act, 1956 and other applicable provisions of the Act, if any, the Objects Clause IIIA (Main Objects) of the Memorandum of Association of the Company be and is hereby altered by inserting the following New Objects 4 to 7 immediately after the existing Object 3 :

4. To conduct, study, research, analyse, computerise, codify, reconcile, rectify, the systems biotechnological products and deal in bio-chemical compounds, tools, apparatus, systems and to use new and imported designs, models modulations, calculations, reports, pro-forma in the field of bio-technology.
5. To manufacture, develop, buy, sell, import, export, study, turn into account and deal in all kinds and varieties of bio-compounds, chemicals, combinations, substances either solid or liquid or air based used ingredients, in the manufacture and preparation of beers, wines, all kinds and varieties of alcohol, alcoholic products, intoxicants, sedatives, drug formulations, chemical compounds, pharmaceutical formulations oils, grease, liquid and solid substances, and to manufacture, buy, sell and deal in bio-technic, biotechnological and bio-chemical raw materials and ingredients used in the above activity.
6. To carry on the business of Manufacturing, buying, selling and dealing in Pharmaceuticals, medical drugs, chemicals of all kinds including antibiotics, vitamins, bulk drugs, Enzymes, hormones, vaccines, sera and intermediates by organic synthesis, semi-synthesis biotechnology and extractions from

NEOCURE THERAPEUTICS LIMITED



natural/herbal plants suitable for manufacturing for human and veterinary applications, surgical, scientific equipments, appliances, accessories, diagnostic kits and related materials, health care products, medical foods and medicated cosmetics.

7. To establish new products by research and development in medical drugs, pharmaceuticals, medical and health care products and manufacture, deal and offer technical expertise in those products.
7. To consider and if thought fit, to pass with or without modification the following Resolution as a Special Resolution:

"RESOLVED THAT Subject to the approval of the Central Government pursuant to Section 21 of the Companies Act, 1956 and any other statutory authority the name of the Company be change in due course and for this purpose it is Resolved that the Board of Directors of the Company be and is hereby authorised to make necessary application to change of name of the company to the Registrar of Companies, Central Government or such other authority as may be required and to follow such instruction or directions as may be prescribed by them and to carry out any modifications as may be required by the Registrar of Companies, A.P or such other authority in granting such approval."

"FUTHER RESOLVED THAT The Board be and is hereby authorised to make an application for availability of name in conformity and suitable with the change in the Main Objects proposed to be pursued by the Company and to take necessary steps for giving effect to the above Resolutions including filling an application to the Registrar of Companies with suitable alternative names and adopt the name as may be made available by the Registrar of Companies, A.P."

BY ORDER OF THE BOARD OF DIRECTORS
for NEOCURE THERAPEUTICS LIMITED

PLACE : HYDERABAD
DATE : 11-06-2001.

(D.KRISHNA KUMAR RAJU)
CHAIRMAN & MANAGING DIRECTOR

NOTES

- a) A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER.
- b) PROXIES TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LATER THAN 48 HOURS BEFORE COMMENCEMENT OF THE MEETING.
- c) THE RELATIVE EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS SET OUT ABOVE, AS REQUIRED BY SEC.173 (2) OF THE COMPANIES ACT, 1956 IS ANNEXED HERETO.
- d) THE REGISTER OF MEMBERS AND SHARE TRANSFER BOOKS OF THE COMPANY WILL REMAIN CLOSED FROM 25TH JULY TO 30TH JULY, 2001.



**ANNEXURE TO THE NOTICE
EXPLANATORY STATEMENT**

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

ITEM NO's . 4 & 5

Mr.P.V.V.Prasad and Mr.U.L.Ramanaiah were co-opted as Additional Directors. As per the provisions of Section 260 of the Companies Act, 1956, they ceases to be Directors at the ensuing Annual General Meeting. As required by Section 257 of the said Act, Notice along with a Deposit of Rs.500/- each has been received from Members signifying their intention proposing the appointment of Mr.P.V.V.Prasad and Mr.U.L.Ramanaiah as Directors of the company.

The Board consider it desirable that the company should continue to avail itself of their services.

No other Directors except Mr.P.V.V.Prasad and Mr.U.L.Ramanaiah are interested in the Resolution.

Item No.6

In view of encouraging measures taken by the Central Government to liberalize the Economy and in order to diversify into certain new business ventures, Your Directors have been considering various proposals for diversifying the Company's activities into other activities like Bio-Tech and other related activities. The alteration in the Objects Clause of the Memorandum of Association as set out in the Resolution is to facilitate diversification. This will enable the company to carry on its business economically and efficiently and the proposed activities can be, under the existing circumstances, conveniently and advantageously combined with the present activities of the Company. This will also enlarge the area of operations of the company.

As per the Companies (Amendment) Act, 1996 and as per the Central Government Notification No.GSR 78 (E) dated 15-02-1997 and pursuant Section 17(1) of the Act, the above said proposal requires only the consent of the Members by way of Special Resolution.

The Directors recommend this Resolution for approval of the ShareHolders.

None of the Directors of your Company is concerned or interested in this Resolution.

Item No.7

For sometime past the Directors have been giving thought to change the name of the Company. As the company has decided to expand its activities into various fields, need has been felt to change the name of the Company. The Directors trust that this change of name will have the members support and approval.

The Board of Directors hereby authorised to make an application to the Registrar of Companies, Andhra Pradesh for availability of name, if that the new name is available for registration under section 20 of the Companies Act, 1956 and subject to the resolution being passed, an application will be made to the Central Government for approval to the change of name under section 21 of the Act.

If the change of name is approved, Share Certificates already issued will not be called in only for the purpose of exchange into certificates bearing the new name, but will be so exchanged as and when the existing Certificates come into the possession of the Company and in the meantime the existing Certificates will continue to be accepted for all purposes, as indicating entitlement to shares or debentures stock of the Company.

The Directors recommends that the proposed Resolution be passed.

None of the Directors are interested in the Resolution

**DIRECTORS' REPORT**

To
The Members of
M/s.NEOCURE THERAPEUTICS LIMITED

The Directors have pleasure in presenting the 14th Annual Report of the company together with the Audited Accounts for the year ended 31st March 2001.

OPERATIONS

Your Company incurred further losses of Rs.103.61 lakhs due to unfavorable business conditions and stiff competition in the Pharmaceutical industry. Keeping in view of this the Company has already diversified to Bio-Technology and Herbal Plantation with the entire year of research and study, the company is now allset to launch Natural Bio-chemicals, which occur as essential oils used in perfumery, soaps, cosmetics, mosquito repellent creams, drug industry etc. In this year your company is launching the following products.

1. CITRIODORA (Eucalyptus Citriodora), 2. CITRONELLA (Cymbopogon Winteniensis), 3. LEMON GRASS (Cymbopogon Flexuosus), 4. GERANIUM (Pelargonium Species), 5. JAPANESE MINT (Mentha Arvenois), 6. PALMA ROSA (Cymbopogon Martinii)

The company is finding more scope in Bio-Technology in coming years. As the company is allset in launching this Natural Bio-chemicals which has got not only a wide domestic market but also has got high export potential. As there is a good encouragement from the government for this industry it can enjoy lot of tax benefits also. With this diversification the company will definitely get good results and recover losses and become a profitable unit in coming year. And it is also proposing to change the name suitably.

FINANCIAL RESULTS

	Year Ended 31.03.2001 (Rs.in Lakhs)	Year Ended 31.03.2000 (Rs.in Lakhs)
Turnover	41.02	4.45
Profit (+) / Loss (-)	(103.61)	(119.51)
Balance Brought Forward	(607.46)	(487.95)
Balance Carried Forward	(711.07)	(607.46)

ADDITIONAL INFORMATION AS REQUIRED U/S 217(1)(e) OF THE COMPANIES ACT, 1956

- (a) Conservation of Energy : The company is monitoring the consumption of energy and is identifying measures for conservation of energy.
- (b) (i) Technology Absorption, adaptation and innovation:- No technology either indigenous or Foreign is involved.
- (ii) Research and Development (R & D): No research and Development has been carried out.
- (b) Foreign exchange earnings : NIL
- Foreign exchange out go : NIL

PARTICULARS OF EMPLOYEES

In pursuance of the provisions of section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules 1975, the Directors are to report that no employee was in receipt of remuneration of Rs.12, 00,000/- or more per annum or Rs.1,00, 000/- or more per month where employed for a part of the year.

**DIRECTORS**

Mr.P.V.V.Prasad and Mr.U.L.Ramanaiah were coopted as Additional Directors during the year to hold the office at the ensuing Annual General Meeting. Notices pursuant to Section 260 of the Companies Act, 1956, has been received from the members signifying their intention propose the appointment of Mr.P.V.V.Prasad and Mr.U.L.Ramanaiah as Directors of the company.

Sri.D.Sree Rama Raju retire by rotation at the ensuing Annual General Meeting and being eligible offer himself for re-appointment.

During the year Smt.D.Bharathi and Smt.D.Annapurna resigned as Directors. The Board takes this opportunity to thank them for their valuable contribution.

DIRECTORS RESPONSIBILITY STATEMENT

- i) that in the preparation of the Annual Accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- ii) that the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and/ of the Profit or Loss of the company for that period;
- iii) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) the Directors had prepared the annual accounts on a going concern basis.

DEPOSITORY SYSTEM

Your company has entered into an agreement with Central Depository Services (India) Limited (CDSL) and National Securities Depository Limited (NSDL) for dematerialization of the Shares in accordance with the provisions of the Depositories Act, 1996.

Shareholders now have the option to hold their shares of the Company in demat form.

AUDITORS

M/s. MOGILI SRIDHAR & CO., Chartered Accountants, the present Auditors of the Company hold office until the conclusion of this Annual General Meeting of the Company. They have indicated their availability for re-appointment pursuant to Section 224 (1B) of the Companies Act, 1956.

PERSONNEL

The relations between the management and the staff were very cordial throughout this year. Your Directors take this opportunity to record their appreciation for the Co-Operation and loyal services rendered by the employees.

DEPOSITS

The company has not accepted any deposits during the year.

ACKNOWLEDGEMENTS

Your Directors gratefully acknowledge with thanks the constructive guidance and support extended by Banks and Government Agencies.

for and on behalf of the Board
for NEOCURE THERAPEUTICS LIMITED

(D.KRISHNA KUMAR RAJU)
CHAIRMAN & MANAGING DIRECTOR

PLACE : HYDERABAD
DATE : 11-06-2001



AUDITORS' REPORT

To
The Members,
M/s NEOCURE THERAPEUTICS LIMITED.

We have audited the attached Balance Sheet of M/s. NEOCURE THERAPEUTICS LIMITED as at 31st March, 2001 and also the Profit and Loss Account of the Company for the year ended on that date annexed thereto and 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.

Further to the comments in the Annexure referred to in paragraph above.

- (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our Audit.
- (b) In our opinion, proper books of account have been kept by the company as required by law so far as appears from our examination of the books.
- (c) The Balance Sheet and Profit & Loss Account dealt with by this report are in agreement with the books of account.
- (d) In our opinion, and to the best of our information and according to the explanations given to us, the Balance Sheet and Profit and Loss Account comply with the accounting standards referred to in section 211 (3C) of the Companies Act, 1956.
- (e) On the basis of representation received from the Directors of the company, we report that no Director is disqualified from being appointed as a Director of the Company under Clause (g) of Subsection (1) of Section 274 of the Companies Act, 1956.
- (f) In our opinion and to the best of our information and according to the explanations given to us, the accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view:
 - (i) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2001.
and
(ii) In the case of the Profit and Loss Account, of the Loss for the year ended on that date.

for **MOGILI SRIDHAR & CO.,**
CHARTERED ACCOUNTANTS

P.MURALI MOHANA RAO
PARTNER

PLACE : HYDERABAD
DATE : 11-06-2001

**ANNEXURE TO THE AUDITORS' REPORT**

- (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets. The management has carried out a physical verification of fixed assets and as explained to us, no serious discrepancies have been noticed on such verification.
- (b) None of the fixed assets have been revalued during the current year.
- (c) The Management has conducted physical verification in respect of stores, spares parts and raw materials at reasonable intervals.
- (d) In our opinion, the procedures of the 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.
- (e) As explained to us, no material discrepancies were noticed on physical verification of stocks as compared to book records.
- (f) In our opinion the valuation of stocks is fair and proper and is in accordance with the normally accepted accounting principles.
- (g) The company has not taken any loans, secured or unsecured from companies, firms or other parties listed in the register maintained U/S 301 of the Companies Act, 1956
- (h) The company has not granted any loans, secured or unsecured to companies, firms or other parties listed in the register maintained U/S 301 of the Companies Act, 1956
- (i) Loans and Advances in the nature of loans have not been given by the company to any party.
- (j) In our opinion, there are adequate internal control procedures, commensurate with the size of the company and nature of its business for the purchase of stores, raw materials Plant & Machinery, equipment and other Assets.
- (k) In our opinion and according to the information and explanation given to us, the transactions of purchase of materials made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 and aggregating during the current year to Rs.50, 000 or more in respect of each party have not been made by the company.
- (l) On the basis of evaluation by persons responsible for physical verification of stocks, there were no unserviceable or damaged stocks.
- (m) The company has not accepted any deposits from public.
- (n) In our opinion reasonable records have been maintained by the company for the sale and disposal of scrap. The company has no by-products.
- (o) In our opinion, the company is having internal audit system commensurate with its size and nature of its business.
- (p) Accounts and records prescribed by the Central Government under section 209(1)(d) of the Companies Act, 1956 are being maintained.
- (q) The company does not have arrears of provident fund and Employees state insurance dues.
- (r) As at the last day of the financial year there were no outstanding undisputed amounts payable in respect of Income Tax, Wealth Tax, Sales Tax, Customs Duty and Excise Duty for a period of more than six months from the date they became payable.
- (s) No personal expenses have been charged to revenue accounts during the year under Audit.
- (t) The company is not a Sick Industrial Company within the meaning of clause (o) of sub section (1) of Section 3 of sick industrial Companies (Special Provision) Act, 1985.

for **MOGILI SRIDHAR & CO.,**
CHARTERED ACCOUNTANTS

P.MURALI MOHANA RAO
PARTNER

PLACE : HYDERABAD
DATE : 11-06-2001

NEOCURE THERAPEUTICS LIMITED

BALANCE SHEET AS AT 31-03-2001

PARTICULARS	SCHEDULE Nos.	AS AT 31-03-2001 (Rupees)	AS AT 31-03-2000 (Rupees)
I. SOURCE OF FUNDS			
1. SHAREHOLDERS FUNDS			
a. Capital	1	161991000	131890000
b. Reserves & Surplus		37113500	28124000
2. LOAN FUNDS			
a. Secured Loans	2	25509801	26426198
b. Un Secured Loans		4000000	4500000
TOTAL		<u>228614301</u>	<u>190940198</u>
II. APPLICATION OF FUNDS			
1. FIXED ASSETS			
a. Gross Block	3	94997987	94908496
b. Less Depreciation		21012456	16874747
c. Net Block		73985531	78033749
d. Capital Work in Progress		58502930	39521706
2. CURRENT ASSETS, LOANS & ADVANCES			
a. Inventories		933690	606068
b. Sundry Debtors	4	764666	476904
c. Cash & Bank Balance	5	64937	268098
d. Loans & Advances	6	24561138	12016908
Less : Current Liabilities & Provisions	7	1923048	1500836
NET CURRENT ASSETS		24401383	11867142
3. MISCELLANEOUS EXPENDITURE (to the extent not written off or adjusted)			
		617569	771962
4. PROFIT & LOSS ACCOUNT			
		71106888	60745639
TOTAL		<u>228614301</u>	<u>190940198</u>
NOTES TO ACCOUNTS	9		

AS PER OUR REPORT OF EVEN DATE

for **MOGILI SRIDHAR & CO.,**
CHARTERED ACCOUNTANTS

P. MURALI MOHANA RAO
PARTNER

PLACE: HYDERABAD
DATE : 11-06-2001

FOR AND ON BEHALF OF THE BOARD

D. KRISHNA KUMAR RAJU
CHAIRMAN & MANAGING DIRECTOR

D. SREERAMA RAJU
DIRECTOR

NEOCURE THERAPEUTICS LIMITED**PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31-03-2001**

PARTICULARS	SCHEDULE Nos.	ENDED 31-03-2001 (Rupees)	ENDED 31-03-2000 (Rupees)
1. INCOME			
Sales		4065894	160799
Other Income		36493	1284990
TOTAL		4102387	1445789
2. EXPENDITURE			
Adjustment of Stocks		9980	(45130)
Raw Materials Consumed		1779288	1653543
Interest		3111587	2970387
Administrative Expenses	8	5270679	4526207
Depreciation		4137709	4137709
Miscellaneous Expenses W/o		154393	154393
TOTAL		14463636	13397109
3. PROFIT/(LOSS) BEFORE TAX		(10361249)	(11951320)
4. PROVISION FOR TAXATION		—	—
5. PROFIT / (LOSS) AFTER TAX		(10361249)	(11951320)
6. BALANCE BROUGHT FORWARD PROFIT/(LOSS)		(60745639)	(48794319)
7. BALANCE CARRIED FORWARD		(71106888)	(60745639)

NOTES TO ACCOUNTS

9

AS PER OUR REPORT OF EVEN DATE

for **MOGILI SRIDHAR & CO.,**
CHARTERED ACCOUNTANTS**P. MURALI MOHANA RAO**
PARTNERPLACE: HYDERABAD
DATE : 11-06-2001

FOR AND ON BEHALF OF THE BOARD

D. KRISHNA KUMAR RAJU
CHAIRMAN & MANAGING DIRECTOR**D. SREERAMA RAJU**
DIRECTOR

NEOCURE THERAPEUTICS LIMITED



SCHEDULE 1 SHARE CAPITAL

PARTICULARS	AS AT 31-03-2001 (Rupees)	AS AT 31-03-2000 (Rupees)
AUTHORISED :		
20000000 Equity Shares of Rs.10/- Each	<u>200000000</u>	<u>200000000</u>
ISSUED, SUBSCRIBED EQUITY SHARES		
16199100 Shares of Rs.10/- Each	161991000	
Previous Year.		
13202600 Shares of Rs.10/- Each		132026000
Less : Allotment Money Arrears	—	136000
TOTAL	<u>161991000</u>	<u>131890000</u>

SCHEDULE 2 SECURED LOANS

PARTICULARS	AS AT 31-03-2001 (Rupees)	AS AT 31-03-2000 (Rupees)
Working Capital Borrowing From Banks	25509801	26426198
TOTAL	<u>25509801</u>	<u>26426198</u>

SCHEDULE 3 FIXED ASSETS

PARTICULARS	Gross Block As at 01-04-2000	Additions during the year	Block As on 31-3-2001	Depreciation As at 31-3-2000	Depreciation During the year	Total Depre- ciation	Net Block As on 31-3-2001	Net Block As on 31-3-2000
Land		89491	89491				89491	
Land & Buildings	27154066	—	27154066	3862696	906946	4769642	22384424	23291370
Furniture & Fixtures	647844	—	647844	166219	41009	207228	440616	481625
Plant & Machinery	64081142	—	64081142	12091262	3043854	15135116	48946026	51989880
Art work	330526	—	330526	84639	15700	100339	230187	245887
Blocks	597574	—	597574	152735	28385	181120	416454	444839
Cylinders	918456	—	918456	230817	43627	274444	644012	687639
Vehicles	46128	—	46128	20041	4382	24423	21705	26087
Misc. Fixed Assets	1132760	—	1132760	266338	53806	320144	812616	866422
	94908496	89491	94997987	16874747	4137709	21012456	73985531	78033749

NEOCURE THERAPEUTICS LIMITED**SCHEDULE 4
SUNDRY DEBTORS**

PARTICULARS	AS AT 31-03-2001 (Rupees)	AS AT 31-03-2000 (Rupees)
(Debts considered good & unsecured)		
a. Debts outstanding for a period exceeding six months	42473	—
b. Others	722193	476904
TOTAL	<u>764666</u>	<u>476904</u>

**SCHEDULE 5
CASH & BANK BALANCES**

PARTICULARS	AS AT 31-03-2001 (Rupees)	AS AT 31-03-2000 (Rupees)
Cash in Hand	35513	24505
Cash in Bank	29424	243593
TOTAL	<u>64937</u>	<u>268098</u>

**SCHEDULE 6
LOANS & ADVANCES**

PARTICULARS	AS AT 31-03-2001 (Rupees)	AS AT 31-03-2000 (Rupees)
Advances & Others	23381231	10777253
Deposits	1179907	1239655
TOTAL	<u>24561138</u>	<u>12016908</u>

**SCHEDULE 7
CURRENT LIABILITIES & PROVISIONS**

PARTICULARS	AS AT 31-03-2001 (Rupees)	AS AT 31-03-2000 (Rupees)
Sundry Creditors	290615	—
Other Liabilities	1342196	1395340
Outstanding Expenses & Provisions	290,237	105496
TOTAL	<u>1923048</u>	<u>1500836</u>

**SCHEDULE 8
MANUFACTURING SELLING & ADMINISTRATIVE EXPENSES**

PARTICULARS	AS AT 31-03-2001 (Rupees)	AS AT 31-03-2000 (Rupees)
Manufacturing Expenses	819482	605230
Selling Expenses	1408301	2406402
Other Administrative Expenses	3042896	1514575
TOTAL	<u>5270679</u>	<u>4526207</u>

**SCHEDULE 9
NOTES FORMING PART OF THE ACCOUNTS****A. SIGNIFICANT ACCOUNTING POLICIES****a. General**

- (i) The accounts are prepared on the historical cost basis and on the accounting principles of a going concern.
- (ii) Accounting policies not specifically referred to otherwise are consistent and in consonance with generally accepted accounting principles.

b. Revenue Recognition

The company follows the Mercantile system of Accounting and recognises income and expenditure on accrual basis.

c. Fixed Assets

Fixed Assets are recorded at the cost of acquisition inclusive of freight, duties, taxes and other incidental charges related to acquisition.

d. Depreciation and Amortisation

- i) The Depreciation on the fixed assets has been calculated on Straight Line method on pro-rata basis at the rates given in the Schedule XIV of the companies Act, 1956.
- ii) Public Issue Expenses are amortised over the period of 10 years

e. Inventories

Inventories are valued at cost or market value whichever is lower.

f. Capital Work-in-progress

Capital work-in-progress includes civil work under progress, Plant & Machinery under erection, Advance to civil works, Other Advances and Pre-operative Expenses.

g. Gratuity

The Company has not made any provision for accruing liability for gratuity to its employees. Gratuity payable will be accounted as and when payments are made and as such liability has not been ascertained.

B. NOTES ON ACCOUNTS

1. Remuneration to Auditors is as Audit fee Rs.25, 000/- (Previous year Rs.25,000/-)
2. Particulars of employees in accordance with Sub-section (2A) of section 217 of the Companies Act, 1956 read with Companies (Particulars of Employees) Rule 1975.
NIL
3. Central excise account is subject to reconciliation.
4. The Balances of Sundry debtors, Sundry Creditors and Other balances are subject to confirmation and reconciliation, if any.
5. A provision of Rs. 241.47 lakhs has been made as bad and doubtful debts against sundry debtors pertaining for a period more than six months old which is bad and doubtful debts, and it may not recoverable.
6. The figures have been regrouped wherever necessary.
7. The figures have been rounded off to the nearest rupee.

Signatures to Schedules 1 to 9**AS PER OUR REPORT OF EVEN DATE****for MOGILI SRIDHAR & CO.,
CHARTERED ACCOUNTANTS****P. MURALI MOHANA RAO
PARTNER****PLACE: HYDERABAD
DATE : 11-06-2001****FOR AND ON BEHALF OF THE BOARD****D. KRISHNA KUMAR RAJU
CHAIRMAN & MANAGING DIRECTOR****D. SREERAMA RAJU
DIRECTOR**



CASH FLOW STATEMENT FOR THE YEAR ENDED 31-03-2001

	31-3-2001 (Rs. in lakhs)	31-03-2000 (Rs. in lakhs)
A. CASH FLOW FROM OPERATING ACTIVITIES :		
Net Profit/(Loss) before taxation, and extraordinary items	(103.61)	(119.51)
Adjustments for :		
Depreciation	41.38	41.38
W/o expenses	1.54	1.54
Interest expenses	30.84	29.62
Operating Profit before working capital changes	(29.85)	(46.97)
Trade and other receivables	(128.33)	25.08
Inventories	(3.28)	(6.06)
Trade payables	4.22	(77.85)
Cash generated from operations	(157.24)	(105.80)
Interest paid	(30.84)	—
Direct Taxes paid	—	—
Cash flow before extraordinary items	(188.08)	(105.80)
Extraordinary Items	—	—
NET CASH FLOW OPERATING ACTIVITIES	(188.08)	(105.80)
B. CASH FLOW FROM INVESTING ACTIVITIES :		
Purchase of Fixed Assets	(190.70)	(395.22)
NET CASH USED IN INVESTING ACTIVITIES	(190.70)	(395.22)
C. CASH FLOW FROM FINANCING ACTIVITIES :		
Proceeds from Equity Shares	301.01	307.80
Proceeds from Share premium	89.90	246.24
Net Proceeds from Long Term Borrowings	(14.16)	(51.94)
NET CASH USED IN FINANCING ACTIVITIES	376.75	502.10
Net increase in cash and cash equivalents	(2.03)	1.08
Cash and Cash equivalents (Opening Balance)	2.68	1.60
Cash and Cash equivalents (Closing Balance)	0.65	2.68

FOR AND ON BEHALF OF THE BOARD

D. KRISHNA KUMAR RAJU
Chairman & Managing Director

D. SREE RAMA RAJU
Director

Place : Hyderabad
Date : 11-06-2001

CERTIFICATE

To
The Board of Directors
M/s Neocure Therapeutics Limited

We have examined the attached Cash Flow Statement of M/S NEOCURE THERAPEUTICS LIMITED year ended 31st March 2001. The Statement has been prepared by the company in accord the requirement of Clause 32 of listing agreement with Stock Exchange and is based on and in with the corresponding Profit & Loss Account and Balance Sheet of the Company covered by our report of 11th June, 2001 to the member of the company.

For MOGILI SRIDHAR & CO.,
CHARTERED ACCOUNTANTS
(P. MURALI MOHANA RAO)
PARTNER

Place : Hyderabad
Date : 11-06-2001



STATEMENT PURSUANT TO PART IV OF SCHEDULE VI TO THE COMPANIES ACT, 1956

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. REGISTRATION DETAILS

Registration No.

0	1	-	0	0	7	8	1	1
---	---	---	---	---	---	---	---	---

 State Code

0	1
---	---

Balance Sheet

3	1
---	---

0	3
---	---

2	0	0	1
---	---	---	---

Date Date Month Year

II. CAPITAL RAISED DURING THE YEAR (AMOUNT IN Rs. THOUSANDS)

PUBLIC ISSUE <table border="1" style="margin: auto; border-collapse: collapse;"><tr><td> </td><td> </td><td> </td><td>N</td><td>I</td><td>L</td><td> </td><td> </td><td> </td></tr></table>				N	I	L				RIGHT ISSUE <table border="1" style="margin: auto; border-collapse: collapse;"><tr><td> </td><td> </td><td> </td><td>N</td><td>I</td><td>L</td><td> </td><td> </td><td> </td></tr></table>				N	I	L			
			N	I	L														
			N	I	L														
BONUS ISSUE <table border="1" style="margin: auto; border-collapse: collapse;"><tr><td> </td><td> </td><td> </td><td>N</td><td>I</td><td>L</td><td> </td><td> </td><td> </td></tr></table>				N	I	L				PRIVATE PLACEMENT <table border="1" style="margin: auto; border-collapse: collapse;"><tr><td> </td><td> </td><td> </td><td>3</td><td>0</td><td>1</td><td>0</td><td>1</td><td> </td></tr></table>				3	0	1	0	1	
			N	I	L														
			3	0	1	0	1												

III. POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS (AMOUNT IN RS. THOUSANDS)

TOTAL LIABILITIES <table border="1" style="margin: auto; border-collapse: collapse;"><tr><td> </td><td> </td><td> </td><td>2</td><td>2</td><td>8</td><td>6</td><td>1</td><td>4</td></tr></table>				2	2	8	6	1	4	TOTAL ASSETS ^C <table border="1" style="margin: auto; border-collapse: collapse;"><tr><td> </td><td> </td><td> </td><td>2</td><td>2</td><td>8</td><td>6</td><td>1</td><td>4</td></tr></table>				2	2	8	6	1	4
			2	2	8	6	1	4											
			2	2	8	6	1	4											

SOURCES OF FUNDS

PAID-UP CAPITAL <table border="1" style="margin: auto; border-collapse: collapse;"><tr><td> </td><td> </td><td> </td><td>1</td><td>6</td><td>1</td><td>9</td><td>9</td><td>1</td></tr></table>				1	6	1	9	9	1	RESERVES & SURPLUS <table border="1" style="margin: auto; border-collapse: collapse;"><tr><td> </td><td> </td><td> </td><td>3</td><td>7</td><td>1</td><td>1</td><td>3</td><td> </td></tr></table>				3	7	1	1	3	
			1	6	1	9	9	1											
			3	7	1	1	3												
SECURED LOANS <table border="1" style="margin: auto; border-collapse: collapse;"><tr><td> </td><td> </td><td> </td><td>2</td><td>5</td><td>5</td><td>1</td><td>0</td><td> </td></tr></table>				2	5	5	1	0		UNSECURED LOANS <table border="1" style="margin: auto; border-collapse: collapse;"><tr><td> </td><td> </td><td> </td><td>4</td><td>0</td><td>0</td><td>0</td><td> </td><td> </td></tr></table>				4	0	0	0		
			2	5	5	1	0												
			4	0	0	0													

APPLICATION OF FUNDS

NET FIXED ASSETS * <table border="1" style="margin: auto; border-collapse: collapse;"><tr><td> </td><td> </td><td> </td><td>1</td><td>3</td><td>2</td><td>4</td><td>8</td><td>8</td></tr></table>				1	3	2	4	8	8	INVESTMENTS <table border="1" style="margin: auto; border-collapse: collapse;"><tr><td> </td><td> </td><td> </td><td>N</td><td>I</td><td>L</td><td> </td><td> </td><td> </td></tr></table>				N	I	L			
			1	3	2	4	8	8											
			N	I	L														
NET CURRENT ASSETS <table border="1" style="margin: auto; border-collapse: collapse;"><tr><td> </td><td> </td><td> </td><td>2</td><td>4</td><td>4</td><td>0</td><td>1</td><td> </td></tr></table>				2	4	4	0	1		MISC. EXPENDITURE <table border="1" style="margin: auto; border-collapse: collapse;"><tr><td> </td><td> </td><td> </td><td>6</td><td>1</td><td>8</td><td> </td><td> </td><td> </td></tr></table>				6	1	8			
			2	4	4	0	1												
			6	1	8														
ACCUMULATED LOSSES <table border="1" style="margin: auto; border-collapse: collapse;"><tr><td> </td><td> </td><td> </td><td>7</td><td>1</td><td>1</td><td>0</td><td>7</td><td> </td></tr></table>				7	1	1	0	7											
			7	1	1	0	7												

* NET FIXED ASSETS includes Capital work-in-progress.

NEOCURE THERAPEUTICS LIMITED



IV. PERFORMANCE OF COMPANY (AMOUNT IN RS. THOUSANDS)

	TURNOVER						TOTAL EXPENDITURE										
				4	1	0	2				1	4	4	6	3		
+ -	PROFIT/LOSS BEFORE TAX						+ -	PROFIT/LOSS AFTER TAX									
-				1	0	3	6	1	-				1	0	3	6	1
	EARNING PER SHARE IN RS.						DIVIDEND RATE %										
				N	I	L						N	I	L			

V. GENERIC NAMES OF THREE PRINCIPAL PRODUCTS/SERVICES OF COMPANY (AS PER MONETARY TERMS)

Item Code No. (ITC Code) 3 0 0 4

PRODUCT DESCRIPTION P A R A C E T A M O L - I P - T A B S
P H A R M A C E U T I C A L - F O R M U
L A T I O N S

Item Code No. (ITC Code) 3 0 0 4

PRODUCT DESCRIPTION C O T R I M O X A Z O L E - D S - T A B S
P H A R M A C E U T I C A L - F O R M U
L A T I O N S

Item Code No. (ITC Code) 3 0 0 4

PRODUCT DESCRIPTION A M P I C I L L I N - C A P S
P H A R M A C E U T I C A L - F O R M U
L A T I O N S

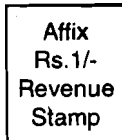
NEOCURE THERAPEUTICS LIMITED

G-4/B, SEIE, Kattedan, Hyderabad - 500 077.

PROXY FORM

I/We
district of being a
Member/Members of NEOCURE THERAPEUTIS LIMITED hereby appoint
..... of or failing him
..... of
in the district of
as my/our proxy to attend and vote for me/us and on my/our behalf at the Meeting of the Company to be
held on Monday the 30th July, 2001 at 11-00 A.M. at Regd. Office of the Company, G-4/B, SEIE, Kattedan,
Hyderabad - 500.077.

Signed this..... day of 2001.



Signature

PROXY NO.

REGD. FOLIO NO.

NO. OF SHARES

Note : This form duly completed and signed as per specimen signature registered with the Company should be deposited at the Registered Office of the Company not less than 48 hours before the time fixed for the commencement of the meeting.

NEOCURE THERAPEUTICS LIMITED

G-4/B, SEIE, Kattedan, Hyderabad - 500 077.

ANNUAL GENERAL MEETING ATTENDANCE SLIP

PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL.

I/we hereby record my/our presence at the 14th ANNUAL GENERAL MEETING held on Monday the 30th July, 2001 at 11-00 A.M. at Regd. Office of the Company, G-4/B, SEIE, Kattedan, Hyderabad-77.

NAME OF THE SHAREHOLDER/S
OR PROXY (IN BLOCK LETTERS)

NO. OF SHARES

REGD. FOLIO NO.

SIGNATURE OF THE SHAREHOLDER/S OR PROXY

PRINTED MATTER

BOOK-POST

IF UNDELIVERED PLEASE RETURN TO :

NEOCURE THERAPEUTICS LIMITED

G-4/B, SEIE, Kattedan, Hyderabad - 500 077.