

MD			BEC	
CS	✓		DPY	✓
RO	✓		DEV	✓
TRA	✓		AC	✓
AGM	✓	✓	SHI	✓
YE	✓	✓		✓



ReportJunction.com

Better life through better health.



BASF Pharma

55th Annual Report 1998



Knoll Pharmaceuticals Ltd

BASF Pharma



Knoll Pharmaceuticals • 17 R Kamani Marg • Mumbai 400 001 • India

1 April 1999

Dear Shareholder:

We are pleased to inform you that your Company has included its securities for dealings in the Depository System in India operated by National Securities Depository Ltd (NSDL) and Central Depository Services (India) Ltd (CDSL). This will facilitate scripless trading in the Company's shares. The shareholders of the Company now have an option of dealing in the Company's shares in the electronic form by dematerialising their share certificates. The system of trading in dematerialised securities has been prevalent on the National Stock Exchange (NSE) as well as on the Stock Exchange, Mumbai (BSE) for the past couple of years. A large number of shares of about 350 companies have already been dematerialised and trading has commenced in the non-physical segment. While in the case of about 104 scrips, the Securities Exchange Board of India (SEBI) has stipulated compulsory settlement in demat form by all investors, in the case of our Company, as of date, compulsory trading in demat form has been stipulated only for institutional investors i.e. financial institutions, foreign institutional investors, overseas corporate bodies, mutual funds and banks. However it is expected that SEBI may soon extend compulsory trading in demat form for all shareholders of our Company as well.

Dematerialisation is the process by which, at the request of the investor, the physical certificates of an investor are taken back by the Company/Registrars through his Depository Participant (DP) and converted into an equivalent number of securities in the electronic form by credit to the depository account of such investor.

Dealing in securities in electronic form eliminates problems associated with handling of physical (paper) certificates such as loss, theft, mutilation, bad deliveries, forgeries, fake certificates, delays in transfer and registration, distribution of rights/bonus shares, etc. Besides eliminating such problems, dealings in shares in electronic (dematerialised) form is also more economical to shareholders/investors as follows:

1. There is no stamp duty on transfer of shares in electronic form.
2. Brokerage rates for transactions in electronic form are lower.
3. Interest rates on loans availed against dematerialised shares are lower.
4. Faster settlement i.e. quicker credit for shares purchased and payment for shares sold.

Registered Office:
17 R Kamani Marg
Mumbai 400 001

Telephone : (91-22) 262 0175
Fax : (91-22) 262 0836

Knoll Pharmaceuticals Ltd

Should you opt for holding your shares in electronic form and join the Depository System, our Registrar and Share Transfer Agents – Sharepro Services have an interface with NSDL and CDSL through V-SAT Satellite linkage and will facilitate dematerialisation of shares. For this purpose, you would be required to register with a Depository Participant (DP), who is either an agent of NSDL and/or CDSL, in the prescribed form. An updated list of DPs is available with NSDL and CDSL. The same can also be provided by the Company or by its Registrars & Share Transfer Agents – Sharepro Services, on request. A brief note on the Depository System and the procedure for dematerialisation of your shares is annexed to this circular. Should you require any further clarification/information on scripless trading, you may contact NSDL/CDSL or the Company's Registrar & Share Transfer Agents at the following addresses:

National Securities Depository Ltd	Central Depository Services (India) Ltd	Sharepro Services
4th Floor, Trade World	26-28th Floor, P J Towers	Satam Estate, 3rd Floor
Kamala Mills Compound	Dalal Street	Above Bank of Baroda
Senapati Bapat Marg	Mumbai 400 023	Chakala
Lower Parel	Tel. No. 022-267 3333,	Andheri (East)
Mumbai 400 013	267 3224, 267 6462	Mumbai 400 099
Tel. No. 022-497 2964/70 and 498 0829/30	and 267 7310	Tel. No. 022-821 5991, 821 5168 and 834 7719

Your Company has always endeavoured to provide better service to its investors taking into consideration the latest changes/trends in the global environment. Inclusion of the shares of the Company for dealings in the depository system is one more step in this direction. We believe that holding of shares in the electronic form is in the best interest of the shareholders and seek your co-operation to help us serve you better.

Yours faithfully

Knoll Pharmaceuticals Ltd



D M Raja

Vice President & Company Secretary

Annexure**The Depository System****1. Opening an account**

Select a Depository Participant (DP) of your choice and open an account with the DP by filling up an account opening form. Your DP will allot you an account number which will serve as a reference for all your future dealings with it.

2. Dematerialisation

Hand over your share certificates to the DP selected by you alongwith the Dematerialisation Request Form (DRF). Your DP will then send the DRF and the share certificates to our Registrars – Sharepro Services and an electronic request will also be sent through the NSDL/CDSL network reconfirming the same. Sharepro Services will verify the documents and, if found in order, the dematerialisation request will be confirmed to NSDL/CDSL, who will in turn inform your DP.

3. Crediting your account with the DP

The account of NSDL/CDSL will be credited in respect of the shares dematerialised by you. NSDL/CDSL will also credit the account of your DP in their electronic records. Your DP will then credit your account with the number of shares dematerialised and thereafter you will continue to hold the shares in electronic form.

4. Buying and Selling

You may buy and sell shares in electronic form through a Depository by coordinating with your broker and/or DP. Such transactions would be simpler and faster. Payments for such transactions would continue to be made in the same way as for physical certificates. Shares purchased in electronic form are credited to your account on the very next day of the payout without any formalities of filling transfer deeds or applying to the Company for registration. All such transactions are exempt from stamp duty and accordingly no share transfer stamps are required to be affixed. Such transactions are not routed through the Company and debit/credit takes place directly in the Depository System.

5. Corporate Benefits

All corporate benefits such as dividend, bonus shares, rights shares will be issued by the Company to the beneficial owners (i.e. the shareholders) who hold the shares in electronic form on the record date/book closure date, as applicable. The dividend amounts, as and when declared, will continue to be sent to you directly as per the existing practice. In case you have opted for the electronic clearing scheme as per Company's circular dated 26 March 1999, your dividend will be credited directly to your bank account indicated by you. Your entitlement of rights and bonus shares, wherever applicable, will be credited to your account with the DP as per your option.

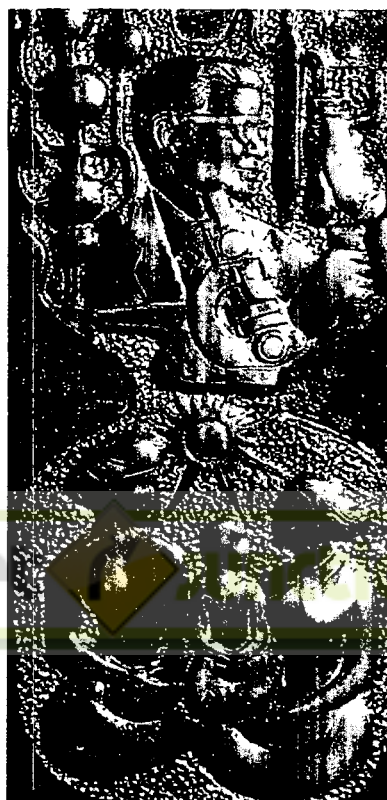
6. Statement of Holdings

The DP will periodically furnish you with a statement of your holdings and update your account after each transaction just as in the case of your bank account.

7. Rematerialisation

You can choose to reconvert your electronic holding into physical form at any time through your DP on receipt of the rematerialisation request alongwith the Remat Request Form (RRF). The Company will then issue fresh share certificates.





The quality of life is directly linked to the health a person enjoys. Through its range of healthcare products, Knoll Pharmaceutical stands committed to this vital goal.



Knoll Pharmaceuticals Ltd**Corporate Management**

D M GAVASKAR
Managing Director & President

DR J S BAKSHI
Vice President – Medical Sciences

K K CHODHARY
Director – Human Resources & Administration

A J GOKHALE
Vice President – Manufacturing & Logistics

S JAIN
Director – Marketing

U C KIRTIKAR
Director – Finance

DR A V PRABHU
Vice President – Quality Control & Development

D M RAJA
Vice President & Company Secretary

Registrars & Share Transfer Agents
Sharepro Services
Satam Industrial Estate, 3rd Floor
Above Bank of Baroda
Cardinal Gracious Road, Chakala
Andheri (East), Mumbai 400 099

Board of Directors

P WAKEFORD *Chairman*

D M GAVASKAR *Managing Director & President*

T SCHÄTZLE

P TONNE

R A SHAH

V D NARKAR

S JAIN

K K CHODHARY

U C KIRTIKAR

Vice President & Company Secretary

D M RAJA

Registered Office

17 R Kamani Marg, Mumbai 400 001

Bankers

ANZ Grindlays Bank Ltd

United Bank of India

Canara Bank

Banque Nationale de Paris

Auditors

Deloitte Haskins & Sells

Solicitors

Crawford Bayley & Co

Factories

107 Sion East, Mumbai 400 022

E-I MIDC Industrial Area, Jejuri 412 303

L-18/19, Verna Industrial Estate, Goa

CONTENTS**Page**

Highlights	2-3
Notice	4-12
Directors' Report	13-17
Auditors' Report	18-19
Balance Sheet	20
Profit and Loss Account	21
Schedules to the Balance Sheet	22-25
Schedules to the Profit and Loss Account	26-27
Notes to the Accounts	28-32
Balance Sheet Abstract and General Business Profile	33
Cashflow Statement	34
Statement relating to Subsidiary Company	35
Reports and Accounts of Subsidiary Company – Lenbrook Pharmaceuticals Limited	36-44



BASF Pharma

Report & Accounts 1998

Highlights

(Rupees in lakhs)

	1989-90	1990-91	1991-92	1992-93	1993-94	1994-95	1995 (9 months)	1996	1997	1998
OPERATING RESULTS										
SALES AND OTHER INCOME	7427.53	8851.43	10844.34	13435.37	16034.14	21437.71	18858.66	24843.70	25598.41	27340.58
MATERIALS	2982.61	3548.08	4589.99	6236.99	6852.41	9989.37	9746.78	13789.73	13306.92	14680.15
SALARIES, BONUS AND STAFF WELFARE	1216.06	1372.04	1595.90	1830.32	1746.78	2386.47	1040.22	1279.03	1524.93	1711.82
MANUFACTURING, ADMINISTRATIVE AND SELLING EXPENSES	2157.20	2588.33	3095.45	3857.93	4839.35	5456.52	5070.10	5319.15	5679.21	5735.90
DEPRECIATION	113.13	170.19	212.86	198.63	185.74	160.95	137.71	378.83	598.51	528.43
INTEREST	137.89	183.78	271.63	223.82	272.61	256.40	246.66	349.01	46.75	55.37
PROFIT BEFORE TAX AND EXTRAORDINARY ITEM	820.64	989.01	1078.51	1087.68	2137.25	3188.00	2617.19	3727.95	4442.09	4628.91
EXTRAORDINARY ITEM — EXPENDITURE/(INCOME)	—	—	—	—	727.25	2462.54	1133.33	730.22	(2447.93)	1338.85
PROVISION FOR TAXATION	347.34	409.49	485.25	495.00	603.41	3.37	473.63	950.00	1895.35	585.56
PROFIT AFTER TAX AND EXTRAORDINARY ITEM	473.30	579.52	593.26	592.68	806.59	722.09	1010.23	2047.73	4994.67	2704.50
RETAINED EARNINGS	230.30	320.32	317.86	301.08	498.79	381.89	726.73	1521.23	4229.22	1546.20
EARNINGS PER SHARE (Rs.)	5.8	7.2	7.3	7.3	10.0	8.9	12.5	25.3	61.7	16.7
DIVIDEND %	30	32	34	36	38	42	35	65	80	65
FINANCIAL SUMMARY										
ASSETS EMPLOYED										
FIXED ASSETS (At Cost)	2146.22	2677.54	2848.63	2824.49	3011.93	3352.58	4944.95	6301.57	6613.11	6752.46
FIXED ASSETS (Net)	983.47	1353.87	1323.99	1178.67	1235.17	2143.49	3621.43	5459.84	5181.57	4852.00
ASSETS HELD FOR DISPOSAL (Net)	—	—	—	—	—	196.04	174.27	71.81	65.67	60.12
CURRENT ASSETS (Net)	2195.78	2342.44	2646.15	3112.70	4616.73	2828.30	1749.19	1383.68	5274.47	7609.48
TOTAL ASSETS	3179.25	3696.31	3970.14	4291.37	5851.90	5167.83	5544.89	6915.33	10521.71	12521.60
FINANCED BY										
SHARE CAPITAL	810.00	810.00	810.00	810.00	810.00	810.00	810.00	810.00	810.00	1620.00
RESERVES AND SURPLUS	1105.97	1426.29	1744.15	2045.23	2544.02	1694.64	3134.94	5173.87	9403.09	10656.10
TOTAL SHAREHOLDERS' FUNDS	1915.97	2236.29	2554.15	2855.23	3354.02	2504.64	3944.94	5983.87	10213.09	12276.10
BORROWINGS	1263.28	1460.02	1415.99	1436.14	2497.88	2663.19	1599.95	931.46	308.62	245.50
DEBT : EQUITY	0.7	0.7	0.6	0.5	0.7	1.1	0.4	0.2	—	—
NUMBER OF SHAREHOLDERS	11135	11570	12230	12960	13229	14155	14594	13341	11263	11607