

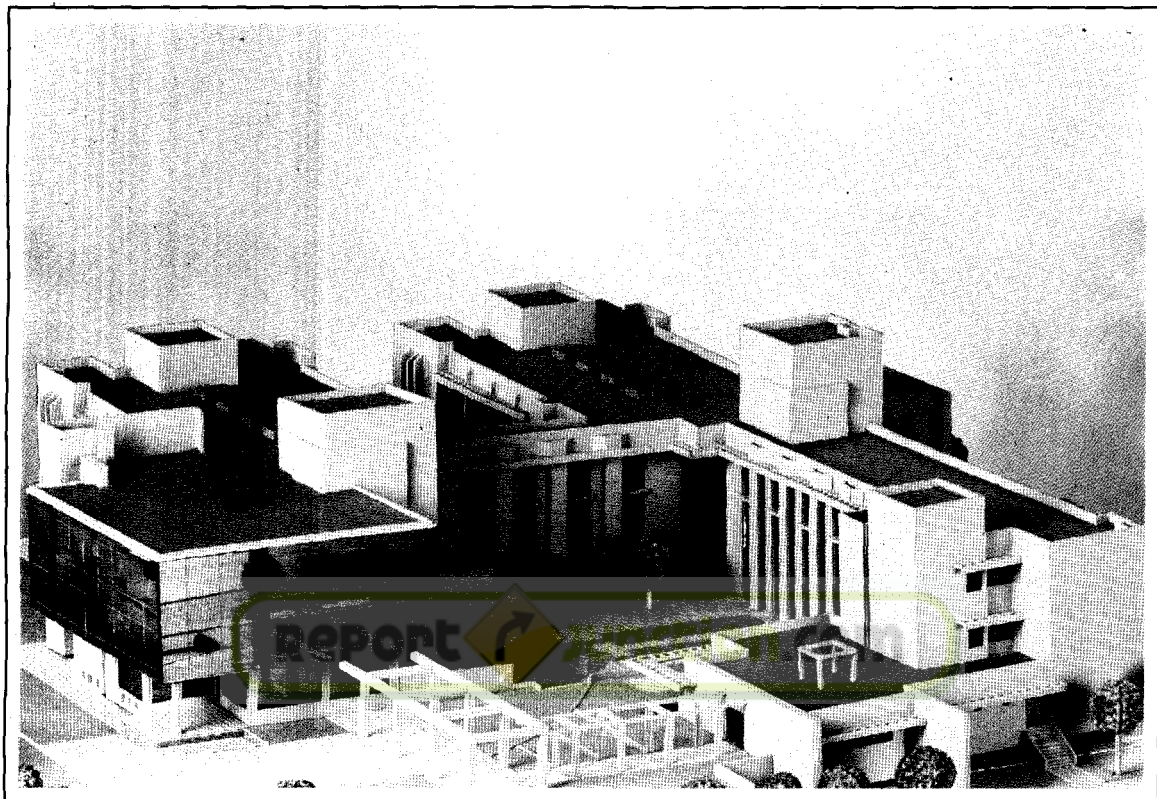
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ALEMBIC LIMITED

BOARD OF DIRECTORS :

Shri Chirayu R. Amin	- Chairman & Managing Director
Smt. Malika C. Amin	- Whole-time Director
Shri Rajkumar Baheti	- Director & President – Finance (w.e.f. 25.01.2003)
Dr. Mohanlal V. Patel	- (upto 24.03.2003)
Dr. Chunibhai B. Patel	- (upto 24.03.2003)
Shri Ranjitbhai R. Patel	
Dr. Babubhai R. Patel	
Shri Pranav N. Parikh	
Shri K. G. Ramanathan	- (w.e.f. 26.03.2003)
Shri Ramanlal M. Kapadia	- Director & Sr. Vice President (Management Services) & Company Secretary

AUDITORS : **K. S. AIYAR & CO.,**
Chartered Accountants,
4th Floor, Janmabhoomi Bhavan,
24-26, Janmabhoomi Marg,
Fort, Mumbai-400 001.

BANKERS :

ABN-AMRO Bank N.V.	Punjab National Bank
Bank of Baroda	Union Bank of India
ICICI Bank Limited	UTI Bank Limited
IDBI Bank Limited	Vijaya Bank
Indian Bank	ING Vysya Bank Limited

INSTITUTION : EXIM BANK

REGD. OFFICE : Alembic Road, Vadodara-390 003.

MANUFACTURING

FACILITIES :

- Alembic Road, Vadodara-390 003.
- Panpharm (Formulation Division), Panelav,
Tal. Halol, Dist. Panchmahals - 389 350 Gujarat
- API Division, Panelav, Tal. Halol,
Dist. - Panchmahals - 389 350. Gujarat
- Plot No. 112 & 121, Panchal Industrial Estate,
Village Bhimpore, Daman-396 210.

REGISTRAR & TRANSFER

AGENTS : M/s. Intime Spectrum Registry Limited,
201, Sidcup Tower, Near Marble Arch,
Race Course, Vadodara - 390 007.

STOCK EXCHANGES :

THE STOCK EXCHANGE, MUMBAI (BSE)
Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001.

NATIONAL STOCK EXCHANGE OF INDIA LIMITED (NSE)
Exchange Plaza, Bandra-Kurla Complex, Bandra (East)
Mumbai - 400 051.

VADODARA STOCK EXCHANGE LIMITED (VSE)
Fortune Tower, Sayajigunj, Vadodara - 390 005.

ALEMBIC LIMITED**NOTICE**

Notice is hereby given that the Ninety-sixth Annual General Meeting of the Members of Alembic Limited will be held at "Sanskriti", Alembic Corporate Conference Centre, Opp. Pragati Sahakari Bank Limited, Alembic Colony, Vadodara - 390 003, on **Thursday, the 25th September, 2003 at 4:00 p.m.** to transact the following business:

ORDINARY BUSINESS:

1. To receive and adopt the audited Balance Sheet and Profit & Loss Account of the Company for the year ended on 31st March, 2003 and the Reports of the Directors and Auditors thereon.
2. To declare dividend on Equity Shares.
3. To appoint a Director in place of Shri R. R. Patel, who retires by rotation and is eligible for re-appointment.
4. To appoint a Director in place of Shri R. M. Kapadia, who retires by rotation and is eligible for re-appointment.
5. To appoint Auditors and to fix their remuneration.

SPECIAL BUSINESS:

To transact the following business as Special Business:

6. To appoint a Director in place of Shri R. K. Baheti, who vacates office pursuant to Section 260 of the Companies Act, 1956 and the Articles of Association of the Company, as he was appointed as an Additional Director on the Board of Directors of the Company. The Company has received a notice under Sections 257 and 190 of the Companies Act, 1956 from a member of the Company intimating his intention to propose Shri R. K. Baheti for the re-appointment as a Director of the Company and for that purpose to pass the following resolution as an Ordinary Resolution with or without modification(s):

ORDINARY RESOLUTION

"RESOLVED that Shri R. K. Baheti, who having been appointed as an Additional Director, vacates office at this Annual General Meeting, be and is hereby appointed as a Director of the Company liable to retire by rotation."

7. To consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

ORDINARY RESOLUTION

"RESOLVED that subject to the provisions of Sections 198, 269, 309 and 310 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, (including any statutory modifications or re-enactment thereof for the time being in force) approval of the Company be and is hereby accorded to the appointment of Shri R. K. Baheti as Director & President - Finance of the Company for a period of five years from 25th January, 2003, on the remuneration and on such terms and conditions as recommended by the Board of Directors in their meeting held on 25th January, 2003 and set out in explanatory statement attached hereto with liberty and authority to the Board of Directors to alter and vary the terms and conditions of the said appointment from time to time within the scope of Schedule XIII of the Companies Act, 1956, or any amendments thereto or any re-enactment thereof and as may be agreed to between the Board of Directors and Shri R. K. Baheti.

FURTHER RESOLVED that in the event of loss or inadequacy of profit in any financial year, the Company shall pay Shri R. K. Baheti, in respect of such financial year, remuneration by way of salary, allowances, perquisites and other benefits as the Board of Directors may deem fit, subject to the limits prescribed herein and in Schedule XIII of the Companies Act, 1956.

FURTHER RESOLVED that the Board of Directors of the Company be and is hereby authorized to take such steps as may be necessary, desirable or expedient to give effect to this resolution."

8. To consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

ORDINARY RESOLUTION

"RESOLVED that subject to the provisions of Sections 198, 269, 309 and 310 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, (including any statutory modifications or re-enactment thereof for the time being in force) approval of the Company be and is hereby accorded to the re-appointment of Shri C. R. Amin as Managing Director of the Company for a further period of five years from 1st May, 2003, on the remuneration and on such terms and conditions as recommended by the Board of Directors in their meeting held on 26th March, 2003 and set out in the draft agreement submitted to this meeting and for identification initialled by Shri R. R. Patel, Director, with liberty and authority to the Board of Directors to alter and vary the terms and conditions of the said appointment and/or agreement from time to time within the scope of Schedule XIII of the Companies Act, 1956, or any amendments thereto or any re-enactment thereof and as may be agreed to between the Board of Directors and Shri C. R. Amin.

ALEMBIC LIMITED

FURTHER RESOLVED that in the event of loss or inadequacy of profit in any financial year, the Company shall pay Shri C. R. Amin, in respect of such financial year, remuneration by way of salary, allowances, perquisites and other benefits as the Board of Directors may deem fit, subject to the limits prescribed herein and in Schedule XIII of the Companies Act, 1956.

FURTHER RESOLVED that the Board of Directors of the Company be and is hereby authorized to take such steps as may be necessary, desirable or expedient to give effect to this resolution."

9. To consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

ORDINARY RESOLUTION

"RESOLVED that, subject to the provisions of Sections 198, 269, 309 and 310 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, (including any statutory modifications or re-enactment thereof for the time being in force) approval of the Company be and is hereby accorded to the re-appointment of Smt. M. C. Amin as Whole-time Director of the Company for a further period of five years from 2nd July, 2003, on the remuneration and on such terms and conditions as recommended by the Board of Directors in their meeting held on 26th March, 2003 and set out in the draft agreement submitted to this meeting and for identification initialled by Shri R. R. Patel, Director, with liberty and authority to the Board of Directors to alter and vary the terms and conditions of the said appointment and/or agreement from time to time within the scope of Schedule XIII of the Companies Act, 1956, or any amendments thereto or any re-enactment thereof and as may be agreed to between the Board of Directors and Smt. M. C. Amin.

FURTHER RESOLVED that in the event of loss or inadequacy of profit in any financial year, the Company shall pay Smt. M. C. Amin, in respect of such financial year, remuneration by way of salary, allowances, perquisites and other benefits as the Board of Directors may deem fit, subject to the limits prescribed herein and in Schedule XIII of the Companies Act, 1956.

FURTHER RESOLVED that the Board of Directors of the Company be and is hereby authorized to take such steps as may be necessary, desirable or expedient to give effect to this resolution."

10. To consider and, if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

SPECIAL RESOLUTION

"RESOLVED that subject to the provisions of Sections 198 and 309 of the Companies Act, 1956, and other applicable provisions, if any, the consent of the Company be and is hereby accorded for payment of commission, in addition to the sitting fees for attending the meetings of the Board or committees thereof, to the Non-executive Directors of the Company, at the rate not exceeding 1% of the net profits of the Company for the particular financial year in relation to which the commission is payable, to be computed in the manner laid down in Section 198 of the Companies Act, 1956 in such amounts or proportions and in such manner and to the extent as may be decided by the Board of Directors for each financial year for the period of five years commencing from 1st April, 2003."

11. To consider and, if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

SPECIAL RESOLUTION

"RESOLVED that as per the proviso to Section 163 of the Companies Act, 1956 or any amendment thereto and subject to any other provisions for the time being in force, the Register of Members (including Index) of the Company be kept at the office of Registrar & Transfer Agents M/s. Intime Spectrum Registry Ltd. at 201, Sidcup Towers, Race Course, Vadodara - 390 007.

FURTHER RESOLVED that the Register of Members (including Index) be kept open for inspection at the aforesaid place, by the persons entitled thereto, to the extent and in the manner specified in Section 163 of the Act between 10.30 a.m. to 12.30 p.m. on every working day except when the Registers and Books are closed under the provisions of the Act."

12. To consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

ORDINARY RESOLUTION

"RESOLVED that pursuant to Section 94 and any other provisions of the Companies Act, 1956, the Authorized Capital of the Company be classified from Rs. 50,00,00,000/- (Rupees Fifty Crores) divided into 1,00,00,000 (One Crore) Equity Shares of Rs.10/- each, 10,00,000 (Ten Lacs) Redeemable Cumulative Preference Shares of Rs.100/- each and 30,00,000 (Thirty Lacs) Redeemable Preference Shares of Rs.100/- each to Rs. 50,00,00,000/- (Rupees Fifty Crores) divided into 3,00,00,000 (Three Crores) Equity Shares of Rs.10/- each and 20,00,000 (Twenty Lacs) Redeemable Cumulative Preference Shares of Rs.100/- each."

ALEMBIC LIMITED

13. To consider and, if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

SPECIAL RESOLUTION

"RESOLVED that the existing Clause – V of the Memorandum of Association of the Company relating to Share Capital be substituted by the following Clause :

- V. The Authorized Capital of the Company is Rs. 50,00,00,000/- (Rupees Fifty Crores) divided into 3,00,00,000 (Three Crores) Equity Shares of Rs.10/- each and 20,00,000 (Twenty Lacs) Redeemable Cumulative Preference Shares of Rs.100/- each with a power to increase or reduce the capital of the Company or to divide the shares in the capital for the time being into several classes and to attach thereto respectively such preferential, deferred, qualified, or special rights, privileges or conditions as may be determined by or in accordance with the Articles of Association of the Company and to vary, modify or abrogate any such rights, privileges or conditions in such manner as may for the time being, be provided by the Articles of Association of the Company."

NOTES :

1. ANY MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. The Proxy form duly completed must reach the Registered Office of the Company not later than forty-eight hours before the time of holding the meeting.
3. The Register of Members of the Company will remain closed from Monday, the 11th August, 2003 to Saturday, the 16th August, 2003 (both days inclusive), for the purpose of payment of dividend.
4. The dividend when sanctioned will be made payable on or after Wednesday, the 1st October, 2003, to those members whose names stand on the Register of Members of the Company on 16th August, 2003. Members are requested to notify promptly any change in their registered addresses.
5. Explanatory Statement setting out all material facts concerning item Nos. 6 to 13 as required under Section 173 of the Companies Act, 1956 is annexed hereto.
6. All documents referred to in the Notice and the Explanatory Statement are open for inspection at the Registered Office of the Company between 11.00 a.m. and 1.00 p.m. on any working day.
7. Shareholders who have not encashed the dividends after the financial year ended on 31st March, 1995 are requested to immediately approach the Company. According to Section 205A of the Companies Act, 1956, all the unclaimed dividends, if any, are required to be transferred to the 'Investor Education and Protection Fund'.
8. Pursuant to SEBI Circular No.D&CC/FITTC/CIR-15/2002 dated 27th December, 2002, all the work related to share registry in terms of both - physical and electronic – are being done by Company's R & T Agents – M/s. Intime Spectrum Registry Limited, 201, Sidcup Tower, Near Marble Arch, Race Course, Vadodara – 390 007. (Telefax 0265 - 2332474, Email: vadodara@intimespectrum.com). Therefore, Shareholders are requested to send their communication to the aforesaid address in future.

Regd. Office:
Alembic Road,
Vadodara – 390 003.
Dated : 28th June, 2003

By Order of the Board,
R.M. KAPADIA
Sr. Vice President (Management Services)
& Company Secretary

**EXPLANATORY STATEMENT AS REQUIRED UNDER
SECTION 173 OF THE COMPANIES ACT, 1956**

Item Nos.6 & 7 :

Shri R.K. Baheti joined the Company as President - Finance on 18th January, 2003. The Board of Directors, in its meeting held on 25th January, 2003, appointed Shri R. K. Baheti as an Additional Director of the Company with effect from that date. Therefore, w.e.f. 25th January, 2003, Shri R.K.Baheti is holding position of Director & President - Finance of the Company. He holds office as Director only till the date of this Annual General Meeting. Shri R.K.Baheti is B.Com(Hon.), FCA and FCS. He has 22 years of rich and varied experience in the areas of Corporate Finance, Accounts, Audit, Taxation and Secretarial.

Pursuant to Section 302 of the Companies Act, 1956, the abstract of the terms and conditions of his appointment had already been sent to the Members in the month of February, 2003.

The remuneration, terms and conditions of his appointment are set out hereunder:

1. Period of appointment as Director & President - Finance: 5 years from 25th January, 2003.

2. Remuneration:

(a) Salary : Rs.1,25,000/- per month or such higher amount as may be decided by the Board of Directors from time to time.

(b) Special Allowance : Rs.17,250/- per month or such higher amount as may be decided by the Board of Directors from time to time.

3. Perquisites & Allowances :

Company Leased Housing Accommodation or House Rent Allowance, Leave Travel Concession for self and family, Medical Reimbursement, Medical Insurance and Personal Accident Insurance, Conveyance, Free Telephone Facility at the residence, Contribution to Provident Fund, Superannuation Fund and Gratuity Fund, Leave (Privilege Leave accumulated and not availed of during his tenure as Director & President - Finance may be allowed to be encashed), Other perquisites, allowances, benefits and amenities as per the rules of the Company.

All other terms and conditions of employment will be as per the service rules of the Company as applicable from time to time.

4. Minimum Remuneration:

Further, the total remuneration, as well as the minimum remuneration, in the event of loss or inadequacy of profits in any financial year, payable to Shri R. K. Baheti as Director & President - Finance by the Company, will be in accordance with the provisions of Sections 198, 269, 309 and 310 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956.

The Company has received a notice under section 257 of the Companies Act, 1956 along with deposit of Rs. 500/- from a member signifying intention to propose the candidature of Shri R.K.Baheti as Director of the Company. Therefore, the resolution is recommended for approval of the members.

Shri R. K. Baheti's appointment, terms and conditions and remuneration are within the scope of Schedule XIII of the Companies Act, 1956 and requires the approval of the members in the General Meeting and hence this ordinary resolution for your approval.

None of the Directors, except Shri R. K. Baheti, is deemed to be concerned or interested in these resolutions.

Item Nos. 8 & 9

Shri C. R. Amin is M.B.A. from U.S.A. He has been working with the Company since 1983. During his tenure as Managing Director, the Company has achieved and has been able to maintain the growth in sales despite very keen competition in pharmaceutical industry. Export sales, which has been identified as a major thrust area, have shown sizable growth. In addition to this, a lot of restructuring has been done in respect of manpower planning and business strategy of introducing new products and concentrating on some selected brands for achieving sustainable competitive edge. It is mainly due to his skill, visionary approach and varied experience, that the Company has been able to achieve sustained growth. The Board of Directors of the Company has, therefore, in its meeting held on 26th March, 2003 re-appointed Shri C. R. Amin as Managing Director of the Company for a further period of five years with effect from 1st May, 2003.

Smt. M. C. Amin is Master of Arts. She has been working with the Company since 1988. Smt. M. C. Amin is having extensive experience in corporate management and administration. As Whole-time Director, she has been shouldering the responsibilities of administration of the day-to-day affairs of the Company along with the Managing Director. In addition to this, a lot of restructuring has been done in respect of manpower planning and business strategy of introducing new products. In view of the fact that the business activities of the Company have increased manifold and looking to the future plans, the Board, in its meeting held on 26th March 2003, re-appointed Smt. M. C. Amin as Whole-time Director of the Company for a further period of five years with effect from 2nd July, 2003.

ALEMBIC LIMITED

Pursuant to Section 302 of the Companies Act, 1956, the abstract of the terms and conditions of the agreements between the Company and Shri C. R. Amin as Managing Director and between the Company and Smt. M. C. Amin as Whole-time Director was sent to the Members in the month of April, 2003. However, they are re-produced hereunder:

1. Period of re-appointment:

- | | | |
|--------------------|---|---|
| a. Shri C. R. Amin | - | 5 years with effect from 1 st May, 2003 |
| b. Smt. M. C. Amin | - | 5 years with effect from 2 nd July, 2003 |

2. Remuneration :

a) Salary :

- | | | |
|--------------------|---|--------------------------|
| a. Shri C. R. Amin | - | Rs. 2,00,000/- per month |
| b. Smt. M. C. Amin | - | Rs. 1,50,000/- per month |

with an authority to the Board of Directors to increase the same from time to time in accordance with Schedule XIII of the Companies Act, 1956, as may be amended from time to time.

b) Commission :

The Managing Director and Whole-time Director shall also be paid commission, in addition to salary, perquisites and allowances, calculated with reference to net profits of the Company in a particular financial year, as may be determined by the Board of Directors of the Company at the end of each financial year or a part of the year, subject to the overall ceilings stipulated in Sections 198 and 309 of the Companies Act, 1956.

c) Perquisites and Allowances :

- (i) Subject to the overall ceilings laid down under Sections 198 and 309 of the Companies Act, 1956, the Managing Director and Whole-time Director shall also be entitled to perquisites and allowances like accommodation (furnished or otherwise) or house rent allowance in lieu thereof, house maintenance allowance together with reimbursement of expenses or allowances for utilities such as gas, electricity, water, furnishings and repairs, medical reimbursement, leave travel concession for themselves and their family, club fees, medical insurance, personal accident insurance, leave and such other perquisites and allowances in accordance with the rules of the Company or as may be agreed to by the Board of Directors and the Managing Director and Whole-time Director;
- (ii) The provision for use of Company's car with driver for official duties and Company's telephone at residence (including payment for local calls and long distance official calls).
- (iii) Company's contribution to Provident Fund and Superannuation Fund or Annuity Fund to the extent these, either singly or together are not taxable under the Income Tax Act, 1961; Gratuity payable, as per the rules of the Company and Encashment of leave at the end of the tenure, shall not be included in the computation of limits for the remuneration or perquisites as aforesaid, subject to Schedule XIII of the Companies Act, 1956.

3. Minimum remuneration:

Notwithstanding anything to the contrary herein contained, where in any financial year, during the currency of the tenure of Shri C. R. Amin, Managing Director and Smt. M. C. Amin, Whole-time Director of the Company, if the Company has no profits or its profits are inadequate, the Company will pay remuneration by way of salary and perquisites as specified above subject to the restrictions set out in Section II of Part II of Schedule XIII of the Companies Act, 1956 or any other law or enactment for the time being or from time to time in force.

The draft agreements between the Company and Shri C. R. Amin & the Company and Smt. M. C. Amin are available for inspection by the Members of the Company at the Registered Office of the Company between 11.00 a.m. to 1.00 p.m. on any working day of the Company.

The appointment, terms and conditions and remuneration of Shri C. R. Amin and Smt. M. C. Amin are within the scope of Schedule XIII of the Companies Act, 1956 and requires the approval of the members in the General Meeting and hence the ordinary resolutions for your approval.

None of the Directors, except Shri C. R. Amin and Smt. M. C. Amin, is deemed to be concerned or interested in these resolutions.

Item No. 10

Section 309 of the Companies Act, 1956 permits the payment of remuneration to the Non-executive Directors of the Company, by way of commission calculated with respect to net profit of the Company for a particular financial year, subject to provisions of Sections 198, 349 and 350 of the Act. In case of companies having Managing Director or Whole-time Director, such commission shall be restricted to 1% of the net profits of the Company.

At present, Non-executive Directors are paid only sitting fees for each meeting of the Board or Committee of the Board attended by them and they are not receiving any other remuneration.

Moreover, the provisions of Corporate Governance and other provisions of the Companies Act, 1956 has increased the duties and responsibilities of Non-executive Directors. The role of Non-executive Directors is increasing day by day due to various amendments that are becoming effective in near future. Therefore, the Board of Directors thought it necessary to have such enabling power to pay remuneration to Non-executive Directors, if required.

ALEMBIC LIMITED

Hence, it is proposed to authorize Board of Directors of the Company to pay remuneration by way of commission not exceeding 1% of the net profits of the Company, computed in the manner laid down in Sections 349 and 350 read with Section 309 of the Companies Act, 1956, subject to the overall maximum managerial remuneration laid down in section 198 of the Companies Act, 1956. Such commission may be paid to such directors at the discretion of the Board of Directors in such proportion and manner as the Board may deem fit from time to time.

Payment of commission to Non-executive Directors, as proposed, requires consent of the members by way of Special Resolution. Hence, your Directors recommend the resolution for your consideration.

All Non-executive Directors may be deemed to be interested or concerned in the said resolution.

Item No. 11

Pursuant to SEBI Circular No.D&CC/FITTC/CIR-15/2002 dated 27th December, 2002, all the work related to share registry in terms of both - physical and electronic - are required to be done at single point i.e. either in-house by the Company or by a SEBI registered R & T Agent. Accordingly, the Company had appointed M/s. Intime Spectrum Registry Limited as its R&T Agents for both electronic and physical share registry work w.e.f.1st April, 2003. Therefore, the Members' Register (including Index) will, henceforth, be maintained and kept by M/s. Intime Spectrum Registry Limited at their office situated at 201, Sidcup Tower, Near Marble Arch, Race Course, Vadodara - 390 007.

Pursuant to Section 163 of the Companies Act, 1956, it is necessary to pass Special Resolution, if the Register of Members (including Index) is kept at a place other than Registered Office of the Company. Hence, the Board of Directors recommends the resolution for your approval.

None of the Directors of the Company is deemed to be concerned or interested in the proposed resolution.

Item Nos. 12 & 13

Company's present Authorized Capital is unequally distributed between Equity Share Capital and Preference Share Capital. The Company has no plan in near future to issue Preference Shares of sizable amount. The Board of Directors thought it necessary to reclassify the Authorized Capital so as to bring the equity and preference capital in line with the requirement of the Company in future.

As per the provisions of Section 94 of the Companies Act, 1956, the Company is required to pass an ordinary resolution by the members.

Consequent upon reclassification of Authorized Capital, the Clause No. V of the Memorandum of Association of the Company is also required to be amended.

Therefore, the Board of Directors recommends the ordinary resolution and special resolution at Item Nos.12 and 13 respectively to be passed by the members.

None of the Directors of the Company is deemed to be concerned or interested in the proposed resolutions.

Regd. Office:

Alembic Road,
Vadodara - 390 003.
Dated : 28th June, 2003

By Order of the Board,

R.M. KAPADIA
Sr. Vice President (Management Services)
& Company Secretary

ALEMBIC LIMITED

DIRECTORS' REPORT

To,
The Members,

Your Directors submit their Ninety-sixth Report together with the Statement of Accounts for the year ended on 31st March, 2003.

1. FINANCIAL RESULTS:

	Yearended 31st March, 2003	Period ended 31st March, 2002 (15 months) (Rs. in Lacs)
	(Rs. in Lacs)	(Rs. in Lacs)
The Gross Profit for the period before providing for Interest, Depreciation and Tax, amounts to	8,713.95	9,205.53
Deducting therefrom:		
Interest and discounting charges	2,457.09	3,325.15
Depreciation	2,521.26	2,463.66
Provision for Taxation	583.43	1,067.00
	3,152.17	2,349.72
Adding thereto:		
Balance brought forward from last year	1,899.54	6,104.13
Provisions for dividend tax no longer required	-	31.31
Transfer from Investment Allowance Reserve	-	39.00
The amount available is	5,051.71	8,524.16
Appropriating therefrom:		
Debenture Redemption Reserve	-	300.00
Provision for Dividend on Equity Shares	331.14	324.62
Provision for Corporate Dividend Tax	42.43	-
General Reserve	4,000.00	6,000.00
Balance carried forward to next year's accounts	678.14	1,899.54
	5,051.71	8,524.16

2. DIVIDEND:

Your Directors recommend Dividend on 73.59 lacs Equity Shares of Rs.10/- each at Rs. 4.50 per share (i.e. 45%) amounting to Rs. 331.14 lacs for the year ended on 31st March, 2003.

The Dividend amount takes into account dividend for full year on equity shares issued to the Shareholders of Darshak Limited in accordance with the Scheme of Merger of Bulk Drugs Unit of Darshak Limited with the Company.

3. MANAGEMENT DISCUSSION AND ANALYSIS:

Report on Management Discussion and Analysis as required under the Listing Agreements with the Stock Exchanges is enclosed as Annexure - 'A' to this report. Certain statements in this section may be forward-looking and are stated as required by applicable laws and regulations. Many factors may affect the actual results, which could be different from what the Directors envisage in terms of the future performance and outlook.

4. OPERATIONS:

The Company's sales, including export incentives, were Rs. 566.38 Crores for the year ended on 31st March, 2003 as compared to Rs. 624.25 Crores for the previous period of 15 months ended on 31st March, 2002. Thus, there has been increase in turnover of about 13% on annualised basis. The Gross Profit Before Interest, Depreciation & Tax was Rs. 87.14 Crores for the year under review as compared to Rs. 92.06 Crores for the previous period of 15 months ended on 31st March, 2002, registering a growth of 18% on annualised basis. The Company has made Profit Before Tax of Rs. 37.36 Crores for the year under review as compared Rs. 34.17 Crores for the previous period of 15 months ended on 31st March, 2002, registering a growth of 37% on annualised basis.

The growth in sales and increase in profit are achieved mainly by way of increased production and efficiency in bulk drugs activities, introduction of new bulk drugs into the market and reduction in overall cost of borrowings.

(A) Formulations Business:

i) Domestic Sales:

The Domestic sales of formulation were Rs. 303.49 Crores for the year ended on 31st March, 2003 as compared to Rs. 353.62 Crores for period of 15 months ended on 31st March, 2002. Thus, there is a growth of 7% on annualised basis.