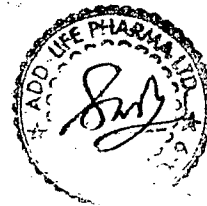



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SEVENTH ANNUAL REPORT 1996-97

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from

add **LIFE** 

PHARMA LTD.

ADD LIFE PHARMA LIMITED

SEVENTH ANNUAL REPORT 1996-97

7TH ANNUAL GENERAL MEETING

Day : Friday
 Date : 26th September, 1997
 Time : 10.30 A. M.
 Venue : Ishwarpuri House
 B/h Lal Bunglow
 Off C.G.Road
 AHMEDABAD - 380 006.

BOARD OF DIRECTORS

Dr. Bharat I. Patel
 (Chairman - Managing Director)
 Shri Rajesh R. Raval
 Dr. Natwar P. Bhagatharia

NOTES:

1. All correspondence relating to Shares of the Company may please be addressed to the Company's Registered Office.
2. Members are requested to bring their copy of the Annual Report to the Meeting, as copies of the Report will not be distributed at the Meeting.
3. Members seeking further information about the Accounts and/or Operations of the Company, are requested to send their queries to the Company at its Registered Office atleast TEN days before the date of the Meeting.

AUDITORS

M/s. B.K. Patel & Co.
 Chartered Accountants
 Ahmedabad

BANKERS

Bank of Baroda
 State Bank of India
 The Mehsana Urban Co-op. Bank Ltd.
 Madhavpura Mercantile Co-op. Bank Ltd.

REGISTERED OFFICE

305, Ashwamegh Avenue,
 Near Mithakali Under Bridge,
 Navrangpura
 Ahmedabad - 380 009

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FACTORY

Survey No. 322/E, Indrad,
 Nr. Ankhol Bus-Stop,
 Kadi-Kalol Road,
 Kadi-382 715

ADD LIFE PHARMA LIMITED

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NOTICE

NOTICE is hereby given that the SEVENTH ANNUAL GENERAL MEETING of the members of ADD-LIFE PHARMA LIMITED, will be held on Friday, the 26th September, 1997 at 10.30 A.M. at, Ishwarpuri House, B/h. Lal Bunglow, Off C.G. Road, Ahmedabad to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Profit and Loss Account for the Year ended as on 31st March, 1997, Balance Sheet as on that date and the Reports of the Directors' and Auditors thereon.
2. To appoint a Director in place of Shri Rajesh R. Raval who retires by rotation and being eligible offers himself for reappointment.
3. To appoint auditors and fix their remuneration.

SPECIAL BUSINESS

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

"RESOLVED THAT Dr. Natvar Bhagatharia an additional Director holding office upto the date of this Annual General Meeting be and is hereby appointed as Director of the Company, liable to retire by rotation."

Registered Office :

305, Ashwamegh Avenue,
Near Mithakali Under Bridge,
Navrangpura,
Ahmedabad - 380 009
Dated : 30th June, 1997.

By order of the Board

Bharat I. Patel
Chairman & Managing Director

NOTES

- (a) A MEMBER, ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER
THE INSTRUMENT APPOINTING PROXY SHOULD HOWEVER BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
- (b) The Explanatory Statement as required under section 173(2) of the Companies Act, 1956 in respect of special business mentioned in the above notice is annexed herewith.
- (c) The Register of Members and Share Transfer Books of the Company will remain close from 22nd September, 1997 to 26th September, 1997 (Both Days Inclusive).
- (d) Members are requested to intimate the change in their registered address, if any, to the Company's Registered Office.
- (e) The documents and/or letters referred to in the Resolutions and in the Explanatory Statement annexed hereto are open for inspection for the Members at the Registered Office of the Company, on all working days between 2.00 p.m. and 4.00 p.m., upto the date of Annual General Meeting.

ANNEXURE TO NOTICE**EXPLANATORY STATEMENT AS REQUIRED UNDER SECTION 173(2) OF THE COMPANIES ACT, 1956.**

In conformity with the provisions of section 173(2) of the Companies Act, 1956 the following explanatory statement sets out all materials, facts relating the Special Business mentioned in the accompanying Notice and should be taken as forming part of the Notice.

Item No. 4.

To Broad base the Board and to have the benefit of rich experience Dr. Natvar Bhagatharia was appointed as an Additional Director of the Company pursuant to provisions of section 260 of the Companies Act, 1956.

The Company has received notice from a shareholder signifying his intention to propose Dr. Natvar Bhagatharia as Director of the Company alongwith a sum of Rs. 500.00 in accordance with provisions of the Articles of Association of the Company and Section 257 of the Companies Act, 1956.

None of the Director except Dr. Natvar Bhagatharia is concerned or interested in the resolution.

Registered Office :

305, Ashwamegh Avenue,
Near Mithakali Under Bridge,
Navrangpura,
Ahmedabad - 380 009
Dated : 30th June, 1997.

By order of the Board

Bharat I. Patel
Chairman & Managing Director

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ADD LIFE PHARMA LIMITED

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DIRECTORS' REPORT

To,
The Members,
ADD LIFE PHARMA LIMITED

Your Directors have pleasure in presenting herewith their Seventh Annual Report together with the Audited Statements of Accounts for the year ended 31st March, 1997.

	(Rs. in lacs) 1996-97	(Rs. in lacs) 1995-96
1. FINANCIAL RESULTS		
Sales	254.71	261.03
Profit before making provisions for Interest, Depreciation and Taxation	19.73	16.23
Less :		
1. Interest	11.35	6.34
2. Depreciation	6.11	5.86
3. Provision for Taxation	0.29	---
Profit for the year	1.98	4.03
Add : Balance in Profit & Loss A/c	20.33	16.30
Profit available for Appropriation	22.31	20.33
APPROPRIATION		
Balance carried to Balance Sheet	22.31	20.33

2. DIVIDEND

In view of lesser profits and in order to conserve the financial resources of the Company, Your Directors do not recommend any Dividend for the said year.

3. PRESENT OPERATIONS

The present operations of the Company have been effected largely due to non availability of Raw Materials which was attributed due to the insufficient working facilities.

The L/C facility for import of Raw Materials, for further assistance is pending with the Bank and is under Active consideration.

4. FUTURE PROSPECTS

Your Directors are of the view that after the facilities for working facilities the Company will be in a position to achieve still better results in the years to come.

5. PROJECTIONS VERSUS ACTUALS

As per the Stock Exchange, listing requirements every company listed on the Exchange is required to highlight in their Directors' Report the Actual Performance achieved against the projections made in the prospectus.

Your Company has achieved the performance mentioned herein below against the Projections made in prospectus dated 27.06.94.

PARTICULARS (Rs. in Lacs)	PROJECTED	ACTUALS
Sales	3274.00	254.70
Cost of Production	2670.30	332.84
Profit before Tax	432.15	2.27
Profit after Tax	280.20	1.98
Share Capital	492.70	525.84
Reserves & Surplus	447.77	33.35
E.P.S	5.69	0.04

ADD LIFE PHARMA LIMITED

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Notes :-

1. The actuals are lower than the projections made in the prospectus dated 27.06.94 due to
 - (a) Non availability of sufficient working capital.
 - (b) Power shortage situation prevailing in the State of Gujarat.
 - (c) Due to non availability of sufficient credit facility from Banks, the availability of key raw material was not obtained, regularly.

6. DIRECTORS

Shri Ramanbhai I. Patel, Shri Vipulbhai Guru and Shri Bharatiben B. Patel resigned from the office of the Director with effect from 5th March, 1997 and Shri Janak Raval resigned from the office of the Director with effect from 19th April, 1997 due to pre occupation.

The Board express their gratitude towards the Directors for the valuable services rendered by the Directors during their tenure.

Dr. Navtar Bhagatharia was appointed as an additional Director of the Company. The Company has received notice as required under the provisions of section 257 of the Companies Act, 1956. The Directors recommend his appointment as Director.

Shri Rajesh Raval retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for reappointment.

7. INSURANCE

All properties and insurable interests of the Company including Building, Plant and Machinery, Stocks, Spares etc. wherever necessary and to the extent required, have been adequately insured.

8. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS/ OUTGO.

The information relating to Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo required under section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of particulars in the Report of the Board of Directors) Rules, 1988, is given in the Annexure to this Report.

9. PARTICULARS OF EMPLOYEES

Provisions of Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 are not applicable to the Company, since none of the employees of the Company was in receipt of total remuneration of Rs.3,00,000/- p.a. or Rs.25,000/- p.m. during the financial year under review.

10. AUDITORS

You are requested to appoint M/s. B. K. Patel & Co., Chartered Accountants, the retiring Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and fix their remuneration.

11. PERSONNEL

Industrial relations continued to be cordial and harmonious during the year under review. Directors wish to place on record their appreciation for the co-operation received from the staff and workers at all levels.

12. ACKNOWLEDGEMENT

Your Directors place on record their sincere thanks for continuous support of the Banks, Central and State Governments, Office of the Industries Commissioner, valued Customers and devoted workers for their continuous contribution to the growth and progress of the Company.

The Directors also express their gratitude to the shareholders for the confidence reposed in the management.

Registered Office :

305, Ashwamegh Avenue,
Near Mithakali Under Bridge,
Navrangpura,
Ahmedabad - 380 009
Dated : 30th June, 1997

For and on behalf of the Board

Bharat I. Patel

Chairman & Managing Director

ADD LIFE PHARMA LIMITED

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ANNEXURE TO THE DIRECTORS REPORT

Disclosure Of particulars with respect to Conservation of Energy, Technology Absorption and Foreign Exchange Earning and Outgo as required Under Section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in Director's Report) Rules, 1988 and forming part of the Directors' Report for the Year ended 31st March, 1997.

A. CONSERVATION OF ENERGY

1) Energy conservation measures taken:

The Company has formed a strong technical department headed by a senior personnel to continuously monitor energy consumption and plan and execute energy conservation schemes. Effective measures are being taken for overall technological upgradation of plant and machinery.

2) Total energy consumption and energy consumption per unit of production.

FORM "A"

A. POWER AND FUEL CONSUMPTION

1. Electricity	1996-97	1995-96
(a) Purchased units		
Total Amount (Rs.)	675123.00	492966.00
Rate/Unit (Rupees)	4.25	3.29
Cost of consumption per unit of Production (Kg.)	29.54	23.24
b) Own generation		
1) through Diesel Generator Unit		
Unit per Ltr. of Diesel Oil	3.96	3.79
LDQ	38.34	22.06
2) Through Steam Turbine Generation		
Units		
Units per Lt. of Fuel/Oil/Gas Cost/Unit	---	---
2) Coal (Specify Quality and where used)		
Qty.(MT) Lignite		
Total Cost (Rs.)	---	---
Avg. Rate (Rs.)		
Cost of Consumption per unit of Production (M.T.)		
3) Furnace Oil		
Qty. (K.ltrs.)	---	---
Total Amount		
Avg. Rate (Rs.)		
4) Others/Internal Generation		
(Please give details)	---	---
Qty.		
Total Cost		
Rate/Unit		

ADD LIFE PHARMA LIMITED

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B. TECHNOLOGY ABSORPTION :

a) Research and Development

- i) Specific areas in which R&D carried out by the Company: The Research & Development efforts of the Company are directed towards quality control and improvement of inhouse expertise.
- ii) Benefits derived as a result of the above R&D: Benefits Derived by the Company from its Research & Development activities are primary by way of improvement in product quality and cost effectiveness.

b) Technology Absorption and innovation:

- i) Efforts in brief made towards technology absorption, adoption and innovation. The Company has been putting emphasis to train its technical personnel by way of providing training to them for the latest technology available.
- ii) Benefits derived as a result of the above efforts:
It has resulted in a better quality of product which has been brought to the international Standard, besides improving the productivity and reducing the wastages.
- iii) Information regarding technology imported during the last five years:
Not Applicable.

C. FOREIGN EXCHANGE EARNING & OUTGO :

Particulars	(Rupees in lacs)	
	1996-97	1995-96
Foreign Exchange Earned	22.54	Nil
Export of Goods on FOB Basis		
Foreign Exchange Used:		
Foreign Travelling	Nil	Nil
Bank Charges		
Membership & Subscription		
Finished Goods Purchased		
Telephone Expenses		

For and on behalf of the Board

Date : 30th June, 1997

Place : Ahmedabad

Dr. Bharat I. Patel
Chairman & Managing Director