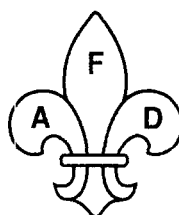


76th ANNUAL REPORT  
1998-99



**Anglo-French Drugs & Industries Ltd.**

**BOARD OF DIRECTORS**

SHRI ABHAY KANORIA, *Chairman & Managing Director*  
 SHRI S.B. KHANOLKAR, *Executive Director*  
 SHRI U.G. PATEL  
 SHRI D.D. DAMODAR  
 SHRI Y.C. AMIN  
 SHRI M.R. HOSANGADY  
 SHRI V.B. HARIBHAKTI  
 SHRI Y.P. CHOPRA  
 SHRI S.K. JHA, *IDBI Nominee*

**COMPANY SECRETARY**

SHRI M.M. WAGH

**AUDITORS**

RAY & RAY  
 Chartered Accountants

**BANKERS**

State Bank of Mysore  
 Vijaya Bank  
 State Bank of India

**SOLICITORS**

Kanga & Co.

**REGISTERED OFFICE**

41, 3rd Cross, SSI Area, V Block,  
 Rajajinagar, Bangalore-560 010,  
 Karnataka.

**MANUFACTURING PLANTS****PHARMACEUTICAL :**

92, 'Sai Krupa' SSI Area, V Block,  
 Rajajinagar, Bangalore-560 010,  
 Karnataka.

Plot No. 4, Peenya Industrial Area,  
 Phase II, Yeshwanthpur,  
 Bangalore-560 058,  
 Karnataka.

Plot Nos. 1101 & 1101-A,  
 Pithampur Industrial Area III,  
 District Dhar,  
 Madhya Pradesh

**FURNISHING FABRICS :**

Kharchi - Bilwara,  
 Taluk Jhagadia,  
 District Bharuch,  
 Gujarat.

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**76th Annual Report****NOTICE**

NOTICE is hereby given that the 76th ANNUAL GENERAL MEETING of ANGLO-FRENCH DRUGS & INDUSTRIES LIMITED will be held at Hotel Le Meridien, 28, Sankey Road, Bangalore-560 052, on Monday, the 30th August, 1999 at 5-00 P.M. to transact the following business :

1. To receive and adopt the audited statements of Account of the Company for the year ended 31st March, 1999 together with the reports of the Directors and the Auditors.
2. To appoint a Director in place of Shri D.D. Damodar, who retires by rotation and is eligible for re-appointment.
3. To appoint a Director in place of Shri V.B. Haribhakti, who retires by rotation and is eligible for re-appointment.
4. To consider and, if thought fit, to pass with or without modification the following resolution as Special Resolution.

"RESOLVED THAT pursuant to the provisions of Section 224A and other applicable provisions, if any, of the Companies Act, 1956, Messrs. Ray & Ray, the retiring Auditors of the Company be and are hereby re-appointed Auditors of the Company to hold office from the conclusion of this Meeting upto the conclusion of the next Annual General Meeting of the Company on such remuneration and out-of-pocket expenses, as the Board of Directors may fix."



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By order of the Board

Mumbai  
30th July, 1999

**M.M. Wagh**  
Company Secretary

N.B.

1. A Member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy need not be a member.
2. The Relative Explanatory Statement pursuant to Section 173 (2) of the Companies Act, 1956, in respect of item 4 set out above is annexed hereto.
3. The Register of Members and the Share transfer Books of the Company will remain closed from Tuesday, 24th August, 1999 to Monday 30th August, 1999 (both days inclusive).
4. Members are requested to notify immediately any change in their address.

**Anglo-French Drugs & Industries Limited**

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**ANNEXURE TO NOTICE**

Explanatory Statement as required by Section 173 (2) Companies Act, 1956.

**ITEM 4:**

Section 224A of the Companies Act, 1956 provides for the appointment or re-appointment of an auditor of a Company at each Annual General Meeting by a Special Resolution, if not less than 25 percent of its subscribed share capital is held singly or in combination by public financial or other institutions in which the State Government holds not less than 51 percent of the share capital, nationalised banks or insurance companies carrying on general insurance business.

The holdings of the aforesaid public financial institutions in this Company exceed 25 percent of the subscribed share capital of the Company and hence the re-appointment of Messrs. Ray & Ray, Chartered Accountants, as Auditors of the Company is required to be made by a Special Resolution. Under 224(1) of the Act, a certificate has been received from them to the effect that their appointment, if made, will be in accordance with the limits specified in Section 224 (1B) of the Act.



Mumbai,  
30th July, 1999

By order of the Board

**M.M. Wagh**  
Company Secretary

## REPORT OF THE DIRECTORS TO THE MEMBERS

1. Your Directors have pleasure in presenting to the Members their SEVENTY SIXTH Annual Report together with the audited Statements of Account for the year ended 31st March, 1999.

### 2. FINANCIAL RESULTS

	Year Ended 31-03-99 Rs. in lakhs	Period Ended 31-03-98 (15 months) Rs. in lakhs
Net Profit for the year before Depreciation	189.60	32.48
Less : Depreciation	153.27	164.13
Profit/(Loss) before tax	36.33	(131.65)
Less : Provision for Taxation	3.00	—
Profit/(Loss) after taxation	33.33	(131.65)
Add : Balance brought forward in Profit & Loss Account	(28.04)	103.61
	5.29	(28.04)

### 3. REVIEW OF OPERATIONS

#### Pharmaceutials:

During the year under review your Company fully completed the process of appointing its own Clearing & Forwarding agents and the overall structural changes thus effected in the sales operations have already resulted in better performance over the immediately preceding 15 months period. The sales during the year under review amounted to Rs. 4,048 lakhs registering an increase of 22.69% on an annualised basis over the preceding 15 months period.

#### Furnishing Fabrics:

The operational results during the year under review are better than the immediately preceding 15 months. During the current year there is an encouraging trend in sales and profitability.

#### Exports :

Exports have grown by 31% on an annualised basis and the trend is very encouraging.

### 4. DIVIDEND

Considering the financial results outlined above, your Directors do not recommend any Dividend.

### 5. DIRECTORATE

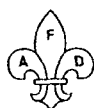
Shri D.D. Damodar and Shri V.B. Haribhakti retire by rotation under Section 256 of the Companies Act, 1956 read with Article 131 of the Articles of Association of the Company at the forthcoming Annual General Meeting and being eligible offer themselves for re-appointment.

### 6. AUDITORS

Members are requested to appoint Auditors for the current financial year. M/s. Ray & Ray, Chartered Accountants, Calcutta, the retiring Auditors, have furnished a certificate of their eligibility for the appointment under Section 224 (1) of the Companies Act, 1956.

### 7. FIXED DEPOSITS

As at the close of the accounting year under review the total amount of Fixed Deposits accepted by the Company from the public and outstanding as on 31st March 1999 aggregated Rs. 2.48 Lakhs. Out of this, deposits matured but not claimed by the depositors as at the close of the year amounted to Rs. 0.48 Lakhs.


**Anglo-French Drugs & Industries Limited**


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**8. UNPAID DIVIDEND**

During the year, unclaimed dividend aggregating Rs. 0.17 lakhs pertaining to the year 1994, was transferred to the General Reserve Account of the Central Government pursuant to Section 205A of the Companies Act, 1956.

**9. Y2K COMPLIANCE**

The Company has initiated and taken effective steps to become Y2K compliant by December 1999. The expenditure to ensure this compliance is not expected to have any material financial impact.

**10. INDUSTRIAL RELATIONS**

Industrial relations in all the offices and plants were cordial.

**11. STATUTORY PARTICULARS**

Information pursuant to Sections 217 (2A) and 217 (1) (e) of the Companies Act, 1956 read with the

Companies (Particulars of Employees) Rules, 1975 & the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1996 is given in Annexure I & II respectively to the Report and forms a part of this Report.

**12. ACKNOWLEDGEMENTS**

Your Directors acknowledge the continued support and co-operation received from the Medical Profession, Trade, Company's Bankers, Financial Institutions, the State and Central Governments and the Shareholders.

Your Directors also place on record their appreciation of the dedicated services of the employees at all levels.

On behalf of the Board

Mumbai,  
30th July, 1999

**ABHAY KANORIA**  
Chairman & Managing Director

**ANNEXURE I TO DIRECTORS' REPORT**

Information as per Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 and forming part of the Directors' Report for the year ended March, 31st 1999.

Sl. No.	Name of the Employee	Age	Qualification	Experience [Years]	Date of Commencement of employment	Designation/ Nature of Duties	Gross Remuneration [Rs.]	Last employment & Position held.
<b>A Employed Throughout the Year</b>								
1.	Shri Abhay Kanoria	43	B.A.	16	01-03-97	Chairman & Managing Director	7,98,107	Broach Textile Mills Ltd., Managing Director
2.	Shri S.B. Khanolkar	62	M.A.	41	17-01-94	Executive Director	6,70,533	Makers Laboratories Limited, Chief Executive

**B Employed Part of the Year : NONE**

- Notes :
- 1) 'Gross Remuneration' includes, salary, medical benefits, leave travel concession, expenditure incurred in providing residential accommodation and where it is not possible to ascertain the actual expenditure incurred by the Company in providing a perquisite, the monetary value of such perquisites calculated in accordance with the Income tax Act, 1961 and the Rules made thereunder, Company's contributions to Provident Fund and Superannuation Scheme as applicable.
  - 2) The nature of appointment is contractual.
  - 3) The appointments are subject to the rules and regulations of the Company in force from time to time.
  - 4) None of the above is related to any Director of the Company.

On behalf of the Board

Mumbai,  
30th July, 1999

**ABHAY KANORIA**  
Chairman & Managing Director