

*77th Annual Report
1999-2000*

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Anglo-French Drugs & Industries

BOARD OF DIRECTORS

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

COMPANY SECRETARY

SHRI M.H. SHYAMA PRASAD

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 B
Rajajinagar, Bangalore-560 010
Karnataka.

MANUFACTURING PLANTS

PHARMACEUTICAL :

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

Plot No. 4, Peenya Industrial
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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REPORT OF THE DIRECTORS TO THE MEMBERS

1. Your Directors have pleasure in presenting the SEVENTY SEVENTH Annual Report together with the Audited accounts for the year ended 31st March, 2000.

2. FINANCIAL RESULTS

	Year Ended 31-03-2000 Rs. in lakhs	Year Ended 31-03-1999 Rs. in lakhs
Net Profit for the year before Depreciation	342.23	189.60
Less : Depreciation	172.26	153.27
Net Profit before taxation	169.97	36.33
Add : Extraordinary item	8.86	Nil
Add : Balance brought forward in Profit & Loss Account	(52.71)	(28.04)
	<u>126.12</u>	<u>8.29</u>
APPROPRIATIONS		
i. Provision for Taxation	17.50	3.00
ii. Proposed Dividend	17.44	Nil
iii. Tax on Proposed Dividend	3.84	Nil
iv. Debenture Redemption Reserve	58.00	58.00
v. General Reserve	10.00	Nil
vi. Balance carried to Balance Sheet	19.34	(52.71)
	<u>126.12</u>	<u>8.29</u>

3. OPERATIONS

During the year under review the profit before tax amounted to Rs. 179 lakhs, an increase of 392.24% over the previous year.

Pharmaceuticals:

The sales during the year under review amounted to Rs. 4,515 lakhs registering an increase of 11.55% over the previous year. During the year the Company has entered into Generics market and the response is encouraging.

Furnishing Fabrics :

The performance has significantly improved and the sales for the year at Rs. 882 lakhs, have resulted in an increase of 69.97% over the previous year.

Exports :

Exports have grown to Rs. 397 lakhs, registering an increase of 67.49% over the previous year.

4. DIVIDEND

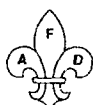
Your Directors recommend a dividend of Rs. 1.50 per share. If approved by the members at the forthcoming Annual General Meeting, the aggregate of Rs. 17.44 lakhs will be paid to the members registered in the books of the Company as on the date of the said Annual General Meeting.

5. DIRECTORS

Shri S.K. Jha, appointed as a Nominee Director by the Industrial Development Bank of India on 26th June 1995 in terms of Article 113A of the Articles of Association, ceased to be Director on 28th October 1999. The Directors place on record their appreciation of the valuable services rendered by Shri S.K. Jha.

Shri Y.C. Amin tendered his resignation from the Board on 29th June 2000. The Directors place on record their appreciation of the valuable services rendered by Shri Y.C. Amin.

Shri U.G. Patel retires 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 offers himself for re-appointment.



Anglo-French Drugs & Industries Limited

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, 2000 aggregated Rs. 5.73 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.

8. EMPLOYEES

Industrial relations in all the offices and plants were cordial.

Information pursuant to Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 is given in Annexure I to the Report and forms a part of this Report.

9. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

Information pursuant to Section 217 (1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 is given in Annexure II to the Report and forms a part of this Report.

10. 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,
29th June, 2000

ABHAY KANORIA
Chairman & Managing Director

ANNEXURE I TO THE 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 2000.

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.
A Employed Throughout the Year								
1.	Shri Abhay Kanoria	44	B.A.	17	01-03-97	Chairman & Managing Director	9,23,936	Broach Textile Mills Ltd., Managing Director
2.	Shri S.B. Khanolkar	63	M.A.	42	17-01-94	Executive Director	7,41,701	Makers Laboratories Limited, Chief Executive
B Employed Part of the Year :								
3.	Shri Tej Nath Kaul	59	B.Sc.	36	09-06-97	General Manager-International Marketing	3,52,540	Cadilla Health Care Ltd. Vice President International Marketing
4.	Shri Anil W Pradhan	53	M.Pharm. D.B.M.	23	16-05-95	General Manager Technical	3,29,575	T.T.K. Bio Med Limited General Manager (Works)

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.

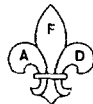
3) The appointments are subject to the rules and regulations of the Company in force from time to time.

4) None of the above is related to any Director of the Company.

On behalf of the Board

Mumbai,
29th June, 2000

ABHAY KANORIA
Chairman & Managing Director


Anglo-French Drugs & Industries Limited
ANNEXURE II TO THE DIRECTORS' REPORT

Information as per section 217(1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 and forming part of the Directors' Report for the year ended March 31, 2000.

A. CONSERVATION OF ENERGY :

- a) Energy conservation measures taken.
- b) Additional investments and proposals, if any, being implemented for reduction of consumption of energy.
- c) Impact of the measures at (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods.
- d) Total energy consumption and energy consumption per unit of production.

The Company is constantly concerned about energy conservation, but having regard to the present level of consumption and the nature of activities, which is not energy intensive, the need for taking special energy conservation measures have not been immediately felt.

Please refer Form A hereunder

FORM A

[See Rule 2]

Form for Disclosure of particulars with respect to conservation of energy

A. Power and Fuel consumption:	Previous Year	
1. Electricity		
a) Purchased:		
Units	12,64,357	11,65,139
Total Amount (Rs.)	64,89,562	58,88,905
Rate/Unit (Rs.)	5.13	5.05
b) Own Generation:		
i) Through Diesel Generator		
Units	9,02,402	8,28,962
Units per Ltr. of Diesel Oil	3.22	2.99
Cost/Unit (Rs.)	4.00	3.26
ii) Through Steam Turbine/Generator		
Units	Nil	Nil
Units per Ltr. of Fuel Oil/Gas		
Cost/Unit (Rs.)		
2. Coal		
Quantity (tonnes)	Nil	Nil
Total Cost (Rs.)		
Average Rate		
3. Furnace Oil		
Quantity (K. Ltrs)	34	22
Total Amount (Rs.)	3,02,626	1,46,376
Average Rate	8,900.76	6,653.45
4. Others/Internal generation	Nil	Nil
Quantity		
Total Cost (Rs.)		
Rate/Unit (Rs.)		

B. Consumption per unit Production:

- Particulars
- Products (with details)
- Units
- Electricity
- Furnace Oil
- Coal
- Others

Standard (if any)

Taking into account the number of formulations and furnishing fabrics manufactured by the Company and having regard to the records and other books maintained, it is not possible to apportion the consumption of utilities unitwise at this stage.

B. TECHNOLOGY ABSORPTION :

- e) Efforts made in technology absorption : Please refer Form B hereunder.

FORM B
[See Rule 2]

Form for disclosure of particulars with respect to Technology Absorption :

Research and Development (R&D)

1. Specific areas in which R&D carried out by the Company. : a) Formulations : Development of new formulations, new dosage forms, substitution of imports by indigeneous materials, improvement in stability of products.
b) Furnishing Fabrics : Nil
2. Benefits derived as a result of the above R & D : Launching of new products, increase in shelf life and reduction in costs.
3. Future plan of action : Continuous development of new formulations.
4. Expenditure on R & D :

	Previous Year
a) Capital (Rs.)	17,52,601
b) Recurring (Rs.)	7,70,484
c) Total (Rs.)	25,23,085
d) Total R&D expenditure as a percentage of total turnover	0.55%

Nil
8,82,634
8,82,634
0.16%

Technology absorption, adaptation and innovation

1. Efforts in brief made towards technology absorption, adaptation and innovation : Developed sustained release formulations.
2. Benefits derived as a result of the above efforts e.g., product improvement, cost reduction, product development, import substitution, etc. : Introduced new formulation.
3. In case of imported technology (imports during the last 5 years reckoned from the beginning of the financial year) following information may be furnished
- a) Technology imported : Not Applicable
- b) Year of import : Not Applicable
- c) Has technology been fully absorbed : Not Applicable
- d) If not fully absorbed, areas where this has not taken place, reasons therefore and future plans of action : Not Applicable

C. FOREIGN EXCHANGE EARNINGS AND OUTGO :

- f) Activities relating to exports, initiatives taken to increase exports, development of new export markets for products and services and export plans : Efforts are being made to increase exports and develop new export markets
- g) Total foreign exchange used : Rs. 3,19,52,223
- Total foreign exchange earned : Rs. 3,87,56,486

On behalf of the Board

Mumbai,
29th June, 2000

ABHAY KANORIA
Chairman & Managing Director