



78th Annual Report
2000 - 2001

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Anglo-French Drugs & Industries Limited

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

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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Anglo-French Drugs & Industries Limited

REPORT OF THE DIRECTORS TO THE MEMBERS

1. Your Directors have pleasure in presenting the SEVENTY EIGHT Annual Report together with the Audited accounts for the year ended 31st March 2001.

2. **FINANCIAL RESULTS**

	Year Ended 31-03-2001 Rs. in lakhs	Year Ended 31-03-2000 Rs. in lakhs
Profit for the year before Depreciation	286.95	342.23
Less: Depreciation	154.59	172.26
Net Profit before taxation & Extraordinary item	132.36	169.97
Less : Provision for Taxation	16.00	17.50
Add : Extraordinary item	-	8.86
Add : Balance brought forward in Profit & Loss Account	19.34	(52.71)
Amount available for appropriation	135.70	108.62
APPROPRIATIONS		
Proposed Dividend	17.44	17.44
Tax on Proposed Dividend	1.78	3.84
Debenture Redemption Reserve	58.00	58.00
General Reserve	20.00	10.00
Balance carried to Balance Sheet	38.48	19.34
	135.70	108.62

3. **OPERATIONS**

Sales including other income for the year under review amounted to Rs. 5,839.34 lakhs as compared to Rs. 5,615.44 lakhs for the year ended 31st March 2000.

The Pharmaceutical Division's sale at Rs. 4,923.38 lakhs for the year under review, has registered an

increase of Rs. 408.32 lakhs over the year ended 31st March 2000. However, the furnishing fabrics division's sales are lower at Rs. 715.76 lakhs for the year under review as against Rs. 882.44 lakhs for the year ended 31st March 2000. This is mainly on account of sluggish market conditions in overseas in which the Company operates.

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' RESPONSIBILITY STATEMENT**

Pursuant to Section 217 (2AA) of the Companies Act, 1956, your Directors state that:

- applicable Accounting Standards have been followed in the preparation of the annual accounts.
- appropriate accounting policies have been selected and applied consistently and the judgements and estimates made are reasonable and prudent so as to give a true and fair view of the state of the affairs of the Company at the end of the financial year and to the profit of the company for that period.
- proper and sufficient care have been taken for the maintenance of adequate records in accordance with the provisions of this Act for



safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.

- iv. the accompanying Annual Accounts have been prepared for the year ended 31st March, 2001 on a going concern basis.

6. DIRECTORS

Shri M.R. Hosangady and Shri Y.P. Chopra 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.

7. 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.

8. 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, 2001 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.

9. 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.

10. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS & 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.

11. 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
23rd June, 2001

ABHAY KANORIA
Chairman & Managing Director

Anglo-French Drugs & Industries Limited**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 2001.

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	45	B.A.	18	01-03-97	Chairman & Managing Director	15,12,853	Broach Textile Mills Ltd., Managing Director

B Employed Part of the Year :

None

Notes : 1) 'Gross Remuneration' includes, salary, commission, medical benefits, leave travel concession, Company's contributions to Provident & Pension Funds and Superannuation Scheme.

2) The nature of appointment is contractual.

3) Not related to any Director of the Company.

On behalf of the Board

Mumbai,
23rd June, 2001

ABHAY KANORIA
Chairman & Managing Director



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, 2001.

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 has 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

		Previous Year
A.	Power and Fuel consumption:	
1.	Electricity	
a)	Purchased:	
	Units	12,52,362
	Total Amount (Rs.)	65,70,734
	Rate/Unit (Rs.)	5.25
b)	Own Generation:	
i)	Through Diesel Generator	
	Units	8,70,122
	Units per Ltr. of Diesel Oil	3.29
	Cost/Unit (Rs.)	5.05
ii)	Through Steam Turbine/Generator	
	Units	Nil
	Units per Ltr. of Fuel Oil/Gas	Nil
	Cost/Unit (Rs.)	Nil
2.	Coal	
	Quantity (tonnes)	Nil
	Total Cost (Rs.)	Nil
	Average Rate	Nil
3.	Furnace Oil	
	Quantity (K. Ltrs)	35
	Total Amount (Rs.)	3,90,905
	Average Rate	11,168.71
4.	Others/Internal generation	
	Quantity	Nil
	Total Cost (Rs.)	Nil
	Rate/Unit (Rs.)	Nil

B. Consumption per unit of 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.

Anglo-French Drugs & Industries Limited**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 :

- a) Capital (Rs.)
- b) Recurring (Rs.)
- c) Total (Rs.)
- d) Total R&D expenditure as a percentage of total turnover

	Previous Year
Nil	Nil
10,29,741	8,82,634
10,29,741	8,82,634
0.18%	0.16%

Technology absorption, adaptation and innovation

1. Efforts in brief made towards technology absorption, adaptation and innovation : Regular absorption of updated technical information.
2. Benefits derived as a result of the above efforts e.g., product improvement, cost reduction, product development, import substitution, etc. : Improved processes and operating efficiencies, cost reduction.
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 : Continuous efforts are being made to increase exports and develop new export markets.
- g) Total foreign exchange used : Rs. 3,05,44,524
- Total foreign exchange earned : Rs. 3,61,33,962

On behalf of the Board

Mumbai,
23rd June, 2001

ABHAY KANORIA
Chairman & Managing Director



AUDITORS' REPORT TO THE SHAREHOLDERS

We have audited the attached Balance Sheet of Anglo-French Drugs & Industries Limited as at 31st March, 2001 and the annexed Profit & Loss Account for the year ended on that date.

1. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
2. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of the books.
3. The Balance Sheet and the Profit & Loss Account dealt with by this report are in agreement with the books of account;
4. In our opinion, the Balance Sheet and Profit & Loss Account comply with the Accounting Standards referred to in subsection (c) of Section 211 of the Companies Act 1956.
5. On the basis of the written representations received from the Directors as on 31st March, 2001, and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2001 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.
6. In our opinion and to the best of our information and according to the explanations given to us, the accounts read with the financial notes, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view.
 - i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2001.
 - and
 - ii) in the case of the Profit & Loss Account, of the profit for the year ended on that date.

As required by the Manufacturing and other Companies (Auditor's Report) Order, 1988 issued by the Company Law Board in terms of Section 227(4A) of the Companies Act, 1956 we further report that:

1. The Company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets except certain old furniture of Pharmaceutical Division acquired prior to 1980. In our opinion, physical verification of the fixed assets

has been conducted by the Management at reasonable intervals. As per explanations given to us, the discrepancies noticed on such verification were not material and have been properly dealt with in the books of account.

2. None of the fixed assets of the Company have been revalued during the year.
3. The stocks of raw materials, packing materials and finished goods have been physically verified by the Management at reasonable intervals during the year.
4. In our opinion and according to the information and explanations given to us, the procedures followed for physical verification of stocks by the Management are reasonable and adequate in relation to the size of the Company and the nature of its business.
5. No material discrepancies have been noticed on physical verification of stocks to the extent conducted as compared to the book records.
6. On the basis of our examination of the stock records, we are satisfied that the valuation of stocks is fair and proper in accordance with the normally accepted accounting principles and is on the same basis as in the preceding period.
7. As far as we can ascertain from the relevant records so produced and information and explanations given, the Company has not taken any loans from Companies, Firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956. With effect from 31st October, 1998 nothing contained in section 370 of the Companies Act, 1956, shall apply to the Company after the commencement of the Companies Amendment Act 1999.
8. As far as we can ascertain from the relevant records so produced and information and explanations given, the Company has not granted any loans to Companies, Firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956. With effect from 31st October, 1998 nothing contained in section 370 of the Companies Act, 1956, shall apply to the Company after the commencement of the Companies Amendment Act 1999.
9. The parties to whom the loans or advances in the nature of loans have been given by the Company are repaying the principal amounts stipulated and are regular in payment of the instalment where applicable.