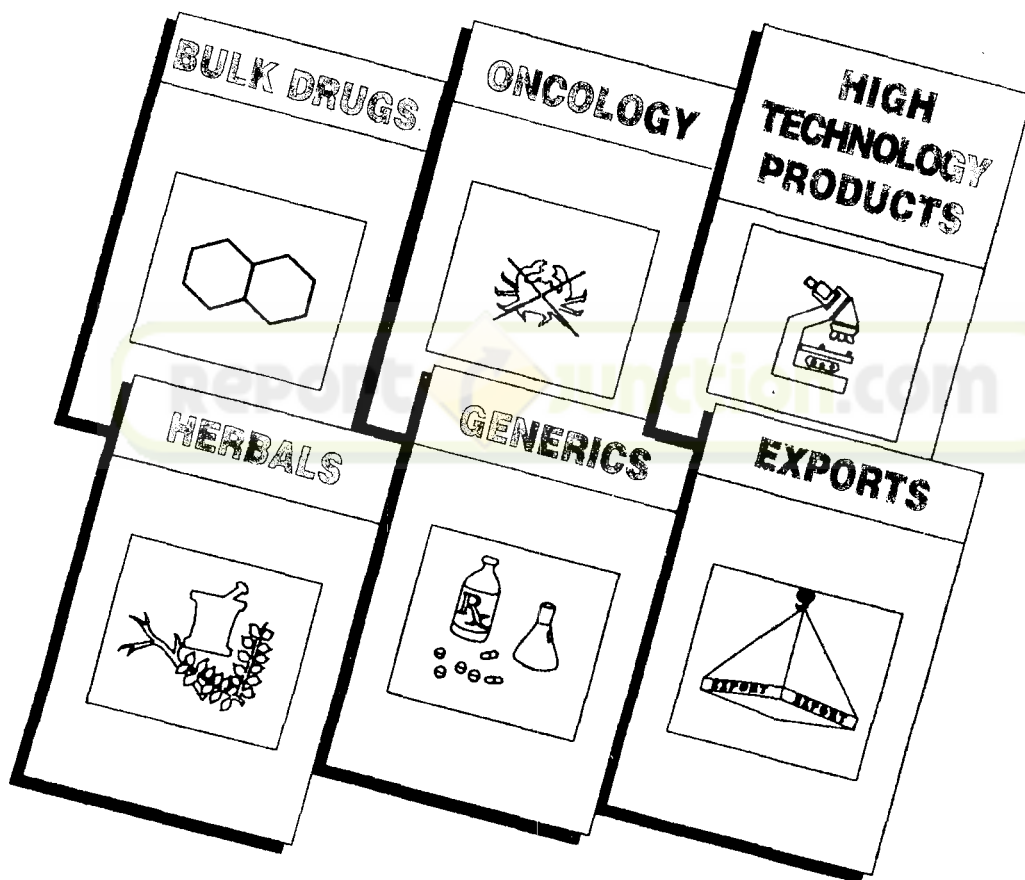


BDH
INDUSTRIES LTD.

MD	<input checked="" type="checkbox"/>		BKC	<input checked="" type="checkbox"/>
CS	<input checked="" type="checkbox"/>		DPY	<input checked="" type="checkbox"/>
RO	<input checked="" type="checkbox"/>		DIV	<input checked="" type="checkbox"/>
TR	<input checked="" type="checkbox"/>		AC	<input checked="" type="checkbox"/>
AGM	<input checked="" type="checkbox"/>		SH	<input checked="" type="checkbox"/>
YE	<input checked="" type="checkbox"/>			<input checked="" type="checkbox"/>

Care, Quality and Reputation



*Advanced Technology
is the key to our continued Success*

Eighth Annual Report 1997-98



BDH INDUSTRIES LIMITED

BOARD OF DIRECTORS	:	Dr. G. G. Nair	<i>Chairman</i>
		Mrs. J. G. Nair	<i>Managing Director</i>
		Mr. S. C. Kachhara	<i>Director</i>
		Mr. K.P. Prabhakar	<i>Director</i>
		Mrs. P.G.Menon	<i>Director</i>
		Mr. J.R. Nair	<i>Director</i>
		Dr. C.B. Hingorani	<i>Director</i>
		Dr. V.A. Padval	<i>Director</i>

COMPANY SECRETARY : Mr. S.K. Biswas

AUDITORS : L.K. Dangi & Co.
Chartered Accountants
Mumbai

BANKERS : Central Bank of India

REGISTERED OFFICE AND SHARE DEPARTMENT : Nair-Baug, Akurli Road
Kandivli (East)
Mumbai 400 101

SALES DEPOTS : Calcutta
Calicut
Hyderabad

EIGHTH ANNUAL GENERAL MEETING at Club Aquaria Enterprises, Devidas Road, Behind St. Lawrence School, LIC Colony, Borivli (W), Mumbai - 400 092. on Monday, the 28th September, 1998 at 11.00 a.m.



NOTICE

NOTICE is hereby given that the Eighth Annual General Meeting of the Members of BDH INDUSTRIES LIMITED will be held at Club Aquaria Enterprises, Devidas Road, Behind St. Lawrence School, LIC Colony, Borivli (West), Mumbai - 400 092 on Monday, the 28th September, 1998 at 11.00 a.m. to transact the following business :

ORDINARY BUSINESS :

1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 1998 and the Profit and Loss Account for the year ended on that date together with the reports of the Directors' and Auditors' thereon.
2. To appoint a Director in place of Mr. S. C. Kachhara, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Mr. K. P. Prabhakar, who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint Auditors who shall hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting at a remuneration as may be fixed by the Board of Directors.

SPECIAL BUSINESS :

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

"RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, 310, 311, 314 read with Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956, (including any statutory modification or re-enactment thereof, for the time being in force) and subject to the limits specified in Schedule XIII to the said Act, the Company hereby approves re-appointment of Mrs. Jayashree G Nair as Managing Director of the Company for a further period of Five years with effect from 1st April, 1999 upon the terms and conditions including remuneration as are set out in the Draft Agreement to be entered into between the Company and Mrs. Jayashree G Nair submitted to this meeting, which Agreement is hereby specifically sanctioned with liberty to the Board of Directors to alter and vary the terms and conditions of the said re-appointment and/or Agreement, so as not to exceed the limits, if any, specified in Schedule XIII to the Companies Act, 1956 or any amendments thereto, as may be agreed to between the Board of Directors and Mrs. Jayashree G Nair."

"RESOLVED FURTHER THAT in the event of loss or inadequacy of profits in any financial year, the salary and other allowances referred to in the said Draft Agreement shall be the minimum remuneration payable to the Managing Director."

"RESOLVED FURTHER THAT Board of Directors of the Company be and is hereby authorised to do all such acts, deeds, matters and things as may be necessary to give effect to this resolution."

6. To consider and if thought fit, to pass with or without modification, the following resolution as Ordinary Resolution :

"RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, 310, 311, 314 read with Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification or re-enactment thereof, for the time being in force) and subject to the limits specified in Schedule XIII of the said Act, the Company hereby approves re-appointment of Mr. S. C. Kachhara, as Whole-time Director of the Company for a further period of Five years with effect from 1st April, 1999 upon the terms and conditions including remuneration as are set out in the Draft Agreement to be entered into between the Company and Mr. S. C. Kachhara submitted to this meeting which Agreement is hereby specifically sanctioned with liberty to the Board of Directors to alter and vary the terms and conditions of the said re-appointment and/or Agreement, so as not to exceed the limits, if any, specified in Schedule XIII to the Companies Act, 1956 or any amendments thereto, as may be agreed to between the Board of Directors and Mr. S. C. Kachhara."

"RESOLVED FURTHER THAT in the event of loss or inadequacy of profits in any financial year, the salary and other allowances referred to in the said Draft Agreement shall be the minimum remuneration payable to the Whole Time Director."

"RESOLVED FURTHER THAT Board of Directors of the Company be and is hereby authorised to do all such acts, deeds, matters and things as may be necessary to give effect to this resolution."

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

"RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, 310, 311, 314 read with Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification or re-enactment thereof, for the time being in force) and subject to the limits specified in Schedule XIII of the said Act, the Company hereby approves re-appointment of Mr. K. P. Prabhakar, as Whole-time Director of the Company for a further period of Five years with effect from 1st April, 1999 upon the terms and conditions including remuneration as are set out in the Draft Agreement to be entered into between the Company and Mr. K. P. Prabhakar, submitted to this meeting which Agreement is hereby specifically sanctioned with liberty to the Board of Directors to alter and vary the terms and conditions of the said re-appointment and/or Agreement, so as not to exceed the limits, if any, specified in Schedule XIII to the Companies Act, 1956 or any amendments thereto, as may be agreed to between the Board of Directors and Mr. K. P. Prabhakar."

"RESOLVED FURTHER THAT in the event of loss or inadequacy of profits in any financial year, the salary and other allowances referred to in the said Draft Agreement shall be the minimum remuneration payable to the Whole Time Director."

"RESOLVED FURTHER THAT Board of Directors of the Company be and is hereby authorised to do all such acts, deeds, matters and things as may be necessary to give effect to this resolution."

8th Annual Report 1997-98

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

"RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, 310, 311, 314 read with Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification or re-enactment thereof, for the time being in force) and subject to the limits specified in Schedule XIII of the said Act, the Company hereby approves re-appointment of Mr. Jayakumar R Nair, as Whole-time Director of the Company for a further period of Five years with effect from 1st April, 1999 upon the terms and conditions including remuneration as are set out in the Draft Agreement to be entered into between the Company and Mr. Jayakumar R Nair submitted to this meeting which Agreement is hereby specifically sanctioned with liberty to the Board of Directors to alter and vary the terms and conditions of the said re-appointment and/or Agreement, so as not to exceed the limits, if any, specified in Schedule XIII to the Companies Act, 1956 or any amendments thereto, as may be agreed to between the Board of Directors and Mr. Jayakumar R Nair."

"RESOLVED FURTHER THAT in the event of loss or inadequacy of profits in any financial year, the salary and other allowances referred to in the said Draft Agreement shall be the minimum remuneration payable to the Whole Time Director."

"RESOLVED FURTHER THAT Board of Directors of the Company be and is hereby authorised to do all such acts, deeds, matters and things as may be necessary to give effect to this resolution."

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

"RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, 310, 311, 314 read with Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification or re-enactment thereof, for the time being in force) and subject to the limits specified in Schedule XIII of the said Act, the Company hereby approves re-appointment of Mrs. Prakashini G Menon, as Whole-time Director of the Company for a further period of Five years with effect from 1st April, 1999 upon the terms and conditions including remuneration as are set out in the Draft Agreement to be entered into between the Company and Mrs. Prakashini G Menon submitted to this meeting which Agreement is hereby specifically sanctioned with liberty to the Board of Directors to alter and vary the terms and conditions of the said re-appointment and/or Agreement, so as not to exceed the limits, if any, specified in Schedule XIII to the Companies Act, 1956 or any amendments thereto, as may be agreed to between the Board of Directors and Mrs. Prakashini G Menon."

"RESOLVED FURTHER THAT in the event of loss or inadequacy of profits in any financial year, the salary and other allowances referred to in the said Draft Agreement shall be the minimum remuneration payable to the Whole Time Director."

"RESOLVED FURTHER THAT Board of Directors of the Company be and is hereby authorised to do all such acts, deeds, matters and things as may be necessary to give effect to this resolution."

BY ORDER OF THE BOARD

Mumbai,
Dated: 28th July, 1998

Registered Office :
Nair Baug, Akurli Road,
Kandivli (East),
Mumbai-400 101

DR. G. G. NAIR
CHAIRMAN

NOTE:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER.
2. The instrument appointing a proxy in order to be effective must be received at the Registered Office of the Company not less than Forty Eight hours before the time for holding the meeting.
3. The explanatory statement pursuant to Section 173 of the Companies Act, 1956 is annexed hereto.
4. The Register of Members and Share Transfer Books of the Company will remain closed from Friday, the 18th September, 1998 to Monday, the 28th September, 1998 (both days inclusive).
5. Shareholders are requested to intimate the Company, the change, if any, in their Registered Address.
6. Members are requested to bring their copy of the Annual Report along with them at the Annual General Meeting.



EXPLANATORY STATEMENT

(Pursuant to Section 173 (2) of the Companies Act, 1956)

ITEM NO.5 :

Mrs. Jayashree G Nair, was appointed Managing Director of the Company for a period of Five years with effect from 1st April, 1994, which will expire on 31/3/1999.

Mrs. Jayashree G Nair has been associated with the Pharmaceutical Industry for more than 30 years and has been the Managing Director of the Company since inception. Under her guidance the Company has achieved a turnover of over Rs.20 crores registering a growth of 100% in turnover as compared to 1993-94.

In the interest of the Company, the Board of Directors recommend re-appointment of Mrs. Jayashree G Nair as the Managing Director of the Company for a further period of Five years with effect from 1st April, 1999 under the terms and conditions including remuneration payable as set out in the Draft Agreement to be entered into between the Company and Mrs. Jayashree G Nair which, inter-alia, contains the following terms and conditions :

1. Period of Agreement : Five Years with effect from 1st April, 1999.

2. Remuneration :

(i) Salary : Rs.40000/- p.m. in the scale of Rs.40000-Rs.80000.

The annual increments which will be effective 1st April each year, will be decided by the Board.

(ii) Commission : 2% of the net profit of the Company exclusive of salary.

3. Perquisites :

In addition to the Salary and Commission payable, the Managing 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 such as medical reimbursement for self and family, leave travel allowance for herself and family 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 Mrs. Jayashree G Nair; such perquisites and allowances exclusive of contribution to Provident Fund, Superannuation/ Annuity Fund, Gratuity and leave salary.

Personal Accident Insurance : She shall be covered under the Company's Group Personal Accident Insurance Policy.

Provision for use of the Company's car for official duties and telephone at residence (including payment for local calls and long distance official calls) shall not be included in the computation of perquisites for the purpose of calculating the said ceiling.

Company's contribution to Provident Fund and Superannuation or Annuity Fund, to the extent these either singly or together are not taxable under the Income-Tax, 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 aforesaid.

Provided that the remuneration paid to the Managing Director shall not exceed the limits specified in Schedule XIII of the Companies Act, 1956.

4. Sitting Fees : Managing Director shall not be paid any remuneration for attending the meetings of the Board of Directors of the Company.

5. Minimum Remuneration : In the event of loss or inadequacy of Profits in any financial year the Company shall pay minimum remuneration to the Managing Director by way of Salary, Commission and perquisite and allowances as specified above.

The Draft Agreement to be entered into between the Company and Mrs. Jayashree G Nair is available for inspection by Members of the Company at its Registered Office between 11.00 a.m. to 1.00 p.m. at any working day of the Company

Mrs. Jayashree G Nair, Managing Director, Mr. Gopakumar G Nair, Chairman and Mrs. P. G. Menon, Whole-time Director being relatives as defined in Table 1A of Section 6 of the Companies Act, 1956 are concerned and interested in Item 5 of this Notice.

This Explanatory Statement together with the Notice is and should be treated as an abstract of the Draft Agreement to be entered into between the Company and Mrs. Jayashree G Nair pursuant to Section 302 of the Companies Act, 1956.

ITEM NOS. 6,7,8 & 9 :

The Company appointed the following Directors as Whole-time Directors for a period of Five years with effect from 1st April, 1994.

i) Mr. S. C. Kachhara

ii) Mr. K. P. Prabhakar

iii) Mr. Jayakumar R. Nair

iv) Mrs. Prakashini G. Menon

The Whole-Time Directors have been associated with the Company for a long-time and have contributed significantly to the growth of the Company to the present level.

In the interest of the Company, the Board of Directors recommend re-appointment of Mr.S.C.Kachhara, Mr.K.P.Prabhakar, Mr.Jayakumar

8th Annual Report 1997-98

R.Nair and Mrs.Prakashini G. Menon as Whole-time Directors of the Company with effect from 1st April, 1999 under the terms and conditions including remuneration as set out in the Draft Agreements to be entered into between the Company and Mr.S.C.Kachhara, Mr.K.P.Prabhakar, Mr.Jayakumar R. Nair and Mrs.Prakashini G. Menon, respectively.

I) The Draft Agreement of Mr.S.C.Kachhara, Whole-time Director, inter-alia contains the following main terms and conditions:-

1. Period of Agreement : Five years with effect from 1st April, 1999.

2. Remuneration :

Salary : Rs.50000/- p.m. in the scale of Rs.50000-Rs.80000.

The annual increments which will be effective 1st April each year, will be decided by the Board and will be merit based and take into account the Company's performance.

3. Perquisites :

In addition to the Salary, the Whole-time Director shall also be entitled to perquisites and allowances like accommodation (furnished or otherwise) or house rent allowance in lieu thereof; togetherwith reimbursement of expenses or allowances such as medical reimbursement for self and family, leave travel allowance for himself and family 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 Mr. S. C. Kachhara; such perquisites and allowances exclusive of contribution to Provident Fund, Superannuation/ Annuity Fund, Gratuity and leave salary, will each year be subject to a maximum of 20% of his annual salary.

For the purpose of calculating the above ceiling, perquisites shall be evaluated as per Income-Tax Rules, wherever applicable. In the absence of any such Rules, perquisites shall be evaluated at actual cost.

4. Personal Accident Insurance : The Whole-time Director shall be covered under the Group Personal Accident Policy taken by the Company.

5. Car and Telephone at Residence: The Company shall provide a car to him for use on Company's business only. The Telephone bill of telephone at the residence for the purpose of business shall only be reimbursed by the Company to the Whole-time Director.

Mr. S.C.Kachhara being Whole-time Director of the Company is concerned and interested in the proposed resolution.

II) The Draft Agreement of Mr.K.P.Prabhakar, Whole-time Director, inter-alia contains the following main terms and conditions:-

1. Period of Agreement : Five years with effect from 1st April, 1999.

2. Remuneration :

Salary : Rs.20000/- p.m. in the scale of Rs.20000-Rs.40000.

The annual increments which will be effective 1st April each year, will be decided by the Board and will be merit based and take into account the Company's performance.

3. Perquisites :

In addition to the Salary, the Whole-time Director shall also be entitled to perquisites and allowances like accommodation (furnished or otherwise) or house rent allowance in lieu thereof; togetherwith reimbursement of expenses or allowances such as medical reimbursement for self and family, leave travel allowance for himself and family 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 Mr. K. P. Prabhakar; such perquisites and allowances exclusive of contribution to Provident Fund, Superannuation/ Annuity Fund, Gratuity and leave salary, will each year be subject to a maximum of 20% of his annual salary.

For the purpose of calculating the above ceiling, perquisites shall be evaluated as per Income-Tax Rules, wherever applicable. In the absence of any such Rules, perquisites shall be evaluated at actual cost.

4. Personal Accident Insurance : The Whole-time Director shall be covered under the Group Personal Accident Policy taken by the Company.

5. Car and Telephone at Residence : The Company shall reimburse Petrol Expenses and maintenance charges of the car owned by him for Company's business purpose only. The telephone bill of telephone at the residence for the purpose of business shall only be reimbursed by the Company to the Whole-time Director.

Mr. K.P.Prabhakar being Whole-time Director of the Company is concerned and interested in the proposed resolution.

III) The Draft Agreement of Mr.Jayakumar R. Nair, Whole-time Director, inter-alia contains the following main terms and conditions:-

1. Period of Agreement : Five years with effect from 1st April, 1999.

2. Remuneration :

Salary : Rs.22000/- p.m. in the scale of Rs.22000 - Rs.44000.

The annual increments which will be effective 1st April each year, will be decided by the Board and will be merit based and take into account the Company's performance.



3. Perquisites :

In addition to the Salary, the Whole-time Director shall also be entitled to perquisites and allowances like accommodation (furnished or otherwise) or house rent allowance in lieu thereof, together with reimbursement of expenses or allowances such as medical reimbursement for self and family, leave travel allowance for himself and family 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 Mr. Jayakumar R Nair; such perquisites and allowances exclusive of contribution to Provident Fund, Superannuation/ Annuity Fund, Gratuity and leave salary, will each year be subject to a maximum of 20% of his annual salary.

For the purpose of calculating the above ceiling, perquisites shall be evaluated as per Income-Tax Rules, wherever applicable. In the absence of any such Rules, perquisites shall be evaluated at actual cost.

4. Personal Accident Insurance : The Whole-time Director shall be covered under the Group Personal Accident Policy taken by the Company.
5. Car and Telephone at Residence : The Company shall reimburse Petrol Expenses and maintenance charges for the car provided by the Company for Company's business purpose only. The telephone bill of telephone at the residence for the purpose of business shall only be reimbursed by the Company to the Whole-time Director.

Mr. Jayakumar R. Nair being Whole-time Director of the Company is concerned and interested in the proposed resolution.

IV) The Draft Agreement of Mrs. Prakashini G. Menon, Whole-time Director, inter-alia contains the following main terms and conditions:-

1. Period of Agreement : Five years with effect from 1st April, 1999.
2. Remuneration :
 - A. Salary : Rs.4000/- p.m.
 - B. Other Allowances :
 - i) House Rent Allowance : Rs.1000/- p.m.
 - ii) Leave Travel Allowance : Rs.2000/- p.a.
 - iii) Medical Reimbursement : Rs.5000/- p.a.
3. Personal Accident Insurance : The Whole-time Director shall be covered under the Group Personal Accident Policy taken by the Company.
4. Car and Telephone at Residence : The Company shall reimburse petrol expenses and maintenance charges for the car owned by her for Company's business purpose only. The telephone bill of telephone at the residence for the purpose of business shall only be reimbursed by the Company to the Whole-time Director.

Mrs. Prakashini G. Menon, Whole-time Director, Mrs. Jayashree G Nair, Managing Director and Dr. G.G. Nair, Chairman, being relatives as defined in Table 1A of Section 6 of the Companies Act, 1956 are concerned and interested in the proposed resolution.

Apart from the above, each of the Whole-time Directors shall be eligible to Company's Contribution to Provident Fund, Superannuation Fund or Annuity Fund upto the tax exempted limit. Gratuity at the rate not exceeding half a months salary for each completed year of service and encashment of leave at the end of the tenure as per the rules of the Company.

Provided that the remuneration payable to the Whole-time Directors shall not exceed the limits specified in Schedule XIII of the Companies Act, 1956.

The Whole-time Directors shall not be paid any remuneration for attending the meetings of the Board of Directors of the Company.

Minimum Remuneration : In the event of loss or inadequacy of Profits in any financial year, the Company shall pay minimum remuneration to each of the Whole-time Directors by way of salary and perquisite and allowances as specified above respectively.

The Draft Agreements to be entered into between the Company and each of the Whole-time Directors are available for inspection by Members of the Company at its Registered Office between 11.00 a.m. to 1.00 p.m. at any working day of the Company.

This Explanatory Statement together with the Notice is and should be treated as an abstract of the Draft Agreements to be entered into between the Company and respective Whole-time Directors pursuant to Section 302 of the Companies Act, 1956.

BY ORDER OF THE BOARD

Mumbai,
Dated: 28th July, 1998

Registered Office :
Nair Baug, Akurli Road,
Kandivli (East),
Mumbai-400 101

DR. G. G. NAIR
CHAIRMAN

*8th Annual Report 1997-98***DIRECTORS' REPORT**

To,
THE MEMBERS
BDH INDUSTRIES LIMITED

Your Directors have pleasure in presenting Eighth Annual Report together with the Audited Statement of Accounts for the year ended 31st March, 1998.

FINANCIAL RESULTS

	1997-98	(Rs. in lacs) 1996-97
Turnover & Other Income	2147.71	1896.50
Profit before Interest and Depreciation	135.22	168.75
LESS : Interest	68.59	87.10
Depreciation	7.55	6.34
Profit before Tax	59.08	75.31
LESS : Provision for Taxation	12.00	20.00
Net Profit After Tax	47.08	55.31
ADD : Surplus Brought Forward from the previous year	181.90	129.59
Amount available for appropriation	228.98	184.90
Appropriation to		
1. General Reserve	3.00	3.00
2. Balance carried forward to Balance Sheet	225.98	181.90

REVIEW OF OPERATIONS :

During the year under review, Company's Turnover has increased to Rs.2141.97 lacs from Rs.1893.74 lacs in the previous year registering a growth of 13% which, however, is lower than the target set by the Company. This was due to paucity of Working Capital and non-completion of the Modernisation and Expansion Project and its effect on the Working of the existing facilities during the transition period.

The Profit after tax for the year is Rs. 47.08 lacs as against Rs.55.31 lacs during 1996-97 which is lower by Rs.8.23 Lacs.

The margins were under strain because of additional overhead expenditure by the Company for supplementing the production level through contract manufacturing which was necessary since the existing facilities could not be put to effective use during the transition period. Further, increased competition in the market also affected the Profit.

FOREIGN CURRENCY LOAN :

Your Company has taken Foreign Currency Loan of US \$ 27,00,000 comprising of Term Loan of US \$13,00,000 and balance towards Working Capital Loan. The Term Loan is repayable after a moratorium period of one year in 8 equal quarterly installments and the Working Capital Loan, in effect, would continue.

In view of the above, the Company has decided to account for any difference in respect of Exchange Rate fluctuation at the time of repayment of such loans or any part thereof.

DIVIDEND :

Your Directors are of the opinion that since the Modernisation and Expansion Project is in the final stage of completion and the increased capacity will need additional Working Capital and seeing the tight liquidity position, it would be prudent to plough back the profits which will be to the best interest of the Company.

SHARE CAPITAL :

Your Company served number of reminders to the shareholders who did not pay the allotment money (due on or before 20.5.95) and therefore the Board of Directors in their meeting held on 30th May, 1997 approved forfeiture of 3,64,200 shares amounting to Rs.18.21 lacs towards Share Capital and Rs.54.63 lacs towards premium.

The Paid up Share Capital of the Company after forfeiture stands at Rs.593.94 lacs.

The Company's shares are listed at Mumbai, Ahmedabad & Madras Stock Exchanges; the Listing Fee for the year 1998-99 has been paid by the Company.

FUTURE PROSPECTS :

With the completion of the Modernisation and Expansion Project expected during the year, the Company will be able to achieve a turnover of Rs.2500 lacs in the the Current year.

The National Drug Authorities from various countries are scheduled to visit the plant after completion of the Modernisation and Expansion Project during the current year which is expected to give a boost to our Export activities.