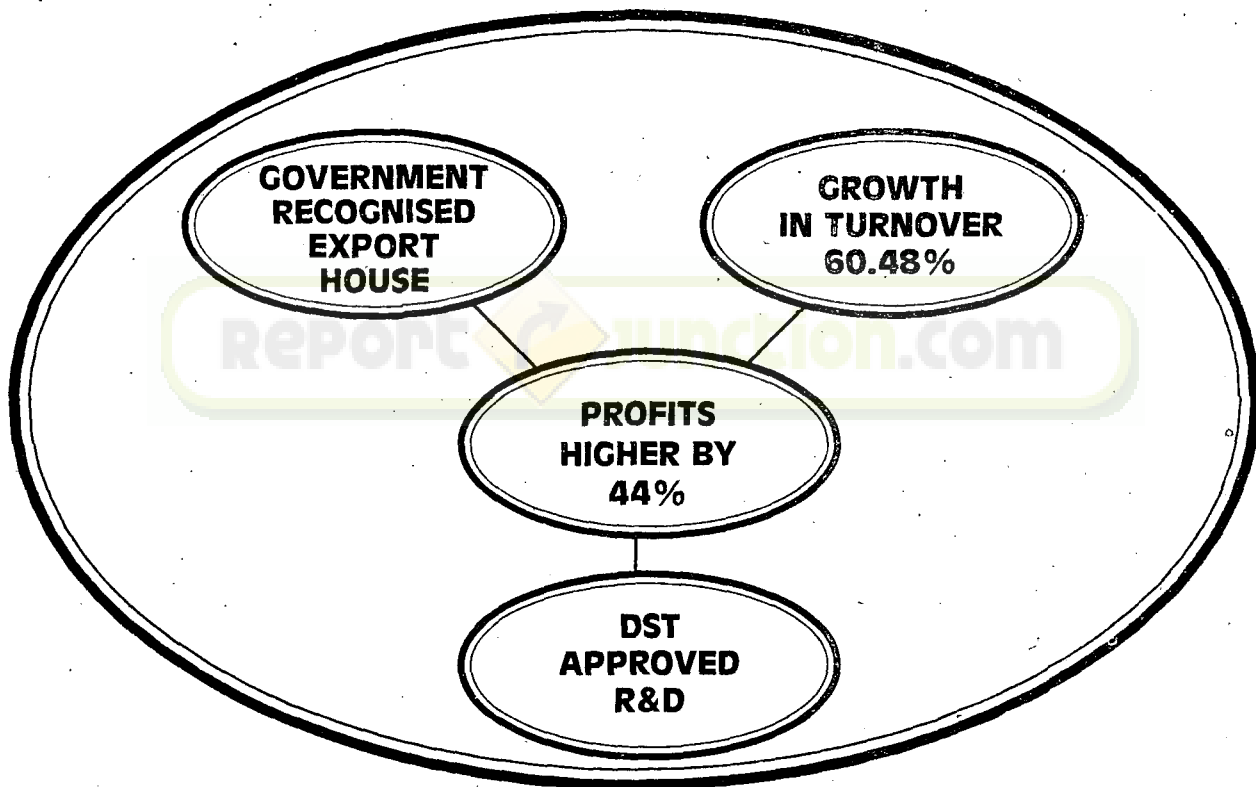




# BOMBAY DRUGS & PHARMAS LIMITED

MD	✓		BKC	✓
CS	✓		DPY	NA
RO	✓		DIV	NA
TRA	NP		AC	✓
AGM	✓	✓	SHI	✓
YE	✓	✓		✓



# BOMBAY DRUGS & PHARMAS LIMITED

## BOARD OF DIRECTORS

Dr. G. G. Nair

Chairman-Cum-Managing Director

Dr. B.L. Gupta

Director

Mrs. J. G. Nair

Director

Dr. (Mrs.) T.B. Gupta

Director

Mr. S. C. Kachhara

Director

Dr. V.D. Patil

Director

Dr. R. Soman

Additional Director

## FINANCE MANAGER-CUM COMPANY SECRETARY

: Mr. Vikas Ranade

## ASST. COMPANY SECRETARY

: Mrs. Parul B. Shah

## AUDITORS

G.L. Kachhara  
Chartered Accountant  
Mumbai

## REGISTERED OFFICE AND SHARE DEPARTMENT

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

## BANKERS

1. Corporation Bank
2. State Bank of India

## PLANTS

- 1) Plot No. K-37, M.I.D.C.  
Tarapur-Boisor  
Dist. Thane  
Maharashtra
- 2) Plot No. 26  
G.I.D.C. - Pandli  
Dist. Bharuch  
Gujarat

**NINETEENTH 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 3.00 p.m.

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# BOMBAY DRUGS & PHARMAS LIMITED

## NOTICE

NOTICE is hereby given that the Nineteenth Annual General Meeting of the Members of BOMBAY DRUGS & PHARMAS LIMITED will be held on Monday the 28th September, 1998 at Club Aquaria Enterprises, Devidas Road, Behind St. Lawrence School, LIC Colony, Borivli (West), Mumbai 400 092 at 3.00 p.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 Mrs. Jayashree G. Nair, who retires by rotation and being eligible, offers herself for re-appointment.
3. To consider and if thought fit, to pass, with or without modifications, the following resolution as a SPECIAL RESOLUTION:

"RESOLVED THAT pursuant to Section 314 and other applicable provisions, if any, of the Companies Act, 1956, the consent of the Company be and is hereby accorded to the re-appointment of Mr. G.L. Kachhara, Chartered Accountant, a relative (within the meaning of Section 6 of the said Act) of Mr. S.C. Kachhara, director of the Company, for holding an office or a place of profit, as Statutory Auditors of the Company, 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:

4. To consider and if thought fit, to pass, with or without modifications, the following resolution as an ORDINARY RESOLUTION:

"RESOLVED THAT Dr. Raghavan Soman, who was appointed as Additional Director of the Company pursuant to Article 145 of the Articles of Association of the Company, and who, by virtue of Section 260 of the Companies Act, 1956, holds office up to the date of this Annual General Meeting, but who, being eligible for re-appointment and in respect of whom the Company has received, pursuant to Section 257 of the said Act, a Notice in writing, proposing his candidature for the Office of the Director, be and is hereby appointed as Director of the Company, liable to retire by rotation."

5. To consider and if thought fit, to pass, with or without modifications, the following resolution as an ORDINARY RESOLUTION:

"RESOLVED THAT pursuant to Section 198, 269, 309, 311 and any other applicable provisions of the Companies Act, 1956 including Schedule XIII to the said act, as amended from time to time, consent of the Company be and is hereby accorded to the re-appointment of Dr. Vinayak D. Patil, as Whole-time Director of the Company for a further period of five years commencing from 1st May, 1999 as per the terms and conditions including Remuneration as set out in the draft Agreement, to be entered into between the Company and Dr. V.D. Patil."

### NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER. Proxy Form should be deposited at the Registered Office of the Company not less than 48 hours before the time fixed for the Meeting.
2. The Explanatory statement pursuant to Section 173 of the Companies Act, 1956 is annexed hereto.
3. The Register of Members and Share Transfer Books of the Company will be closed from Wednesday, the 16th September, 1998 to Monday, the 28th September, 1998 both days inclusive.
4. Members are requested to intimate the change in address, if any, at the Registered Office of the Company.
5. Members/Proxies should bring the Attendance Slip duly filled in for attending the Meeting.

### EXPLANATORY STATEMENT

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

#### ITEM NO. 4:

Dr. Raghavan Soman was appointed as Additional Director by the Board of Directors at their meeting held on 22nd June, 1998, pursuant to Section 260 of the Companies Act, 1956. He holds office as Director up to the date of Annual General Meeting. Company has received notice in writing, proposing his candidature for the Office of the Director of the Company.

The Board of directors consider it desirable to avail the services of Dr. Soman in the interest of the Company.

None of the Directors, except Dr. R. Soman are concerned or interested in the above resolution.

#### ITEM NO. 5:

Dr. V.D. Patil was appointed as Whole-time Director of the Company for a period of Five years commencing from 1st May, 1994 by the Members at the Fifteenth Annual General Meeting held on 28th September, 1994. His term of appointment is expiring on 30th April, 1999. The Board of directors consider it desirable to avail his services in the interest of the Company and recommend his re-appointment for a further period of five years commencing from 1st May, 1999 as per terms and conditions set out in the draft Agreement to be entered into by the Company with him. Remuneration will be paid as per the Resolution passed by the Members at the Eighteenth Annual General Meeting held on 29th September, 1997. Other terms inter alias, contains the following:

1. Agreement shall remain in force for a period of Five years commencing from 1st May, 1999.
2. Dr. V.D. Patil, Whole-time Director shall be incharge of Research & Development.
3. Subject to the supervision and control of the Board of Directors of the Company, the Whole-time Director shall exercise such powers as may be delegated to him from time to time and subject to any limitation or conditions as may be prescribed

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by the Act or the Board or Members of Company in General meeting.

4. Remuneration payable to him is as approved by the Members at the Eighteenth Annual General Meeting held on 29th September, 1997, which inter alias contains :

- a. Salary : Rs. 30,000/- p.m. with an annual increment of Rs. 6,000/- or multiples thereof, due on 1st July every year in such a manner that overall remuneration, including perquisites shall not exceed the limit prescribed under Schedule XIII to the Companies Act, 1956, as amended from time to time.
- b. Dr. Vinayak D. Patil shall be entitled to perquisites and allowances like accommodation (furnished or otherwise) or House Rent Allowance @ 30% of the Salary in lieu thereof ; House Maintenance Allowance together with reimbursement of expenses/allowances for utilisation of gas, electricity, water, furnishing & repairs ; Medical Reimbursement ; Education allowance; Club Fees, Premium for medical insurance and all other payments in the nature of perquisites and allowances subject to overall ceiling of remuneration prescribed under the Companies Act, 1956 including Schedule XIII to the said Act as amended from time to time.

In addition to Salary Dr.V.D.Patil will be entitled to the following, which shall not be considered in the overall prescribed limit specified above.

1. Provident Fund, Super annuation Fund and Gratuity, as per the rules of the Company.
2. Company will provide him car from its Pool car facility.

Apart from the above, the Agreement contain further terms and conditions as to sitting fees, reimbursement of traveling, entertainment and other expenses, non-participation in Selling

agency and provision for earlier termination of office by either party by giving 3 months notice.

The minimum remuneration payable, in the event of loss or inadequacy of Profit during any financial year will be subject to maximum ceiling limit prescribed under Section II of Schedule XIII to the Companies Act, 1956.

The terms & conditions of re-appointment of Dr.V.D.Patil, Whole-time Director are to be approved by the members at the Annual General Meeting and Directors Commend this resolution for approval of the Members.

The above may be treated as an abstract of the Draft Agreement to be entered into between Company and Dr.V.D.Patil, and will be available for inspection by the members at the Registered Office of the Company on all working days between 11.00 a.m. to 1.00 p.m. up to the date of Annual General Meeting.

None of the Directors except Dr.V.D.Patil is concerned or interested in the above resolution.

BY ORDER OF THE BOARD OF DIRECTORS

DR.GOPAKUMAR G. NAIR  
CHAIRMAN-CUM-MANAGING DIRECTOR

MUMBAI  
22ND JUNE, 1998.

**REGISTERED OFFICE :**

Nair Baug, Akurli Road,  
Kandivli (East),  
Mumbai 400 101.





## BOMBAY DRUGS &amp; PHARMAS LIMITED

## DIRECTORS' REPORT

To,

THE MEMBERS

## BOMBAY DRUGS &amp; PHARMAS LIMITED

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

## FINANCIAL RESULTS :

	(Rs. in Lacs)	
	1997-98	1996-97
Turnover & Other Income	1752.38	1146.88
Profit before Interest and		
Depreciation	228.55	158.77
LESS: Interest	85.14	82.92
Depreciation	28.60	27.61
Profit before Tax	114.81	48.24
LESS: Provision for Taxation	5.00	6.25
Net Profit After Tax	109.81	41.99
ADD: Surplus Brought Forward		
from the previous year	91.52	51.53
	201.33	93.52
<u>Appropriation to</u>		
1. General Reserve	2.00	2.00
2. Proposed Dividend	-	-
3. Balance carried forward to		
Balance Sheet	199.33	91.52

## REVIEW OF OPERATIONS :

During the year under review, Company achieved a Net Turnover of Rs. 1721.53 lacs as against Rs. 1072.73 lacs in the previous year, which shows an increase of 60.48% over previous year.

The operating Profit has increased from Rs. 131.16 lacs in the year 1996-97 to Rs. 199.95 lacs in the year under review resulting in an increase of 44.04 %.

## EXPORTS :

Your Company's Export Performance was extremely good during the year under review. Export Turnover has risen to Rs. 1182.26 Lacs in the year 1997-98 from Rs. 548.62 Lacs in the previous year resulting in a remarkable growth of 115.50%. Contribution from R & D based speciality chemicals on custom synthesis basis are on the increase. Export performance is expected to improve in the years to come.

## DIVIDEND :

In order to strengthen Company's Short/Long Term Resources, your Directors do not recommend any dividend for the year under review. It will be beneficial to the Shareholders to strengthen the Company's future plans by retaining the profits for internal requirements of R & D expansion and infrastructural support for growth plans.

## FUTURE PROSPECT :

On the momentum of commercialisation of R & D Processes, development in our Department of Science and Technology (DST) approved R & D department has started picking up, we expect further improvement this year. We expect to finalise one or two tie-ups with buy back arrangements during 1998-99. Capacity utilisation is further expected to improve. Strategic alliances are being concluded.

## PROMISE V/S PERFORMANCE:

(In Terms of Clause 43 of the Listing Agreement)

		1997-98	
		Projections	Actual Performance
i. Sales	(Rs. in Lacs)	2,049.12	1,752.38
ii. Profit after Tax	(Rs. in Lacs)	247.19	109.81
iii. EPS	(Rs.)	5.04	2.24

The sanction, for enhanced working capital could materialise only in the later half of 1997. During current year review of financial requirements in time will help us to achieve projections for 1998-99. Profits are expected to improve further with performance and capacity utilisation.

## FIXED DEPOSIT :

Company has not invited any deposits from the Public within the meaning of Section 58 - A of the Companies Act, 1956 during the year under review.

## CONSERVATION OF ENERGY AND TECHNOLOGY UPGRADATION:

The information 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 regarding the Conservation of energy, technology absorption and foreign exchange earnings / outgo is appended hereto as Annexure I of this Report.

## PERSONNEL :

The information required under Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particular of Employees) Rules, 1975 is appended hereto as Annexure II of this report.

## RESEARCH AND DEVELOPMENT :

R & D continues to be the key strength of your Company. Strategic R & D alliances are being finalised. Contribution from

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R & D based process developed products in speciality chemicals range is expected to improve in coming years. It is also proposed to expand the R & D base commensurate to meet the growing demand from our International clients. It is also proposed to initiate ISO 9000 certification as well as cGMP certification during 1998-99.

**DIRECTORS :**

Your Directors express their sincere Condolence on the demise of Mr. N.S. Iyenger, Ex-Chairman and Director of the Company, who passed away on 26th November, 1997.

Dr. Raghavan Soman, Director in Casual Vacancy, has resigned as Director in Casual Vacancy on 22nd May, 1998. Board of Directors at their Meeting held on 22nd June, 1998 has appointed him as Additional Director to hold the Office up to the date of forthcoming Annual General Meeting. The Company has received Notice u/s 257 of the Companies Act, 1956 proposing his appointment as Director of the Company in the ensuing Annual General Meeting.

Mrs. Jayashree G. Nair, Director of the Company and who being liable to retire by rotation, and being eligible, offer herself for re-appointment.

**AUDITORS :**

Mr. G. L. Kachhara, Chartered Accountants, Auditors of the Company, a relative (within the meaning of Section 6 of the Companies Act, 1956) of Mr. S. C. Kachhara, Director of the

Company, retires at the ensuing Annual General Meeting & being eligible, offer himself for re-appointment.

Your Directors recommend re-appointment of Auditors.

**APPRECIATION :**

Your Directors acknowledge with gratitude the co-operation and assistance given by the Government Authorities, Financial Institutions, Company's Bankers, Maharashtra Industrial Development Corporation and Gujarat Industrial Development Corporation during the year under review.

Your Directors also wish to place on record their sincere appreciation for the devoted services rendered by the Employees and above all acknowledge with gratitude the co-operation of the shareholders for the continued growth of the Company.

FOR AND ON BEHALF OF THE BOARD

Mumbai,  
Dated : 22nd June, 1998

**DR. G.G. NAIR**  
CHAIRMAN CUM MANAGING  
DIRECTOR

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

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## BOMBAY DRUGS &amp; PHARMAS LIMITED

## ANNEXURE I TO THE DIRECTORS' REPORT

Particulars required under the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 :

## CONSERVATION OF ENERGY :

## A. POWER AND FUEL CONSUMPTION :

Particulars	1997-98	1996-97
1 Electricity		
a. Purchased		
Units (in kwh)	896,141	601,696
Total Amount (in Rs.)	3,501,676	2,542,447
Average Rate/Unit (Rs.)	3.91	4.23
b. Own Generation		
i. Through Diesel Generators		
Units (in kwh)	74,477.00	45,994
Total Amount (in Rs.)	200,390.00	115,495
Average Rate/Unit (Rs.)	2.69	2.51
ii. Through Steam Turbine/Generators	N.A.	N.A.
2 Coal (specify quality and where used)	N.A.	N.A.
3 Furnace Oil	N.A.	-
4 Others		
L.D. Oil		
Quantity (Litres)	154,262	116,627
Total Cost (Rs.)	1,624,089	1,341,366
Average Rate/Unit (Rs. per litre)	10.53	11.50

## B. CONSUMPTION PER KG OF PRODUCTION OF :

a. BULK DRUGS :		
Electricity (Units)	22.88	6.39
Furnance Oil (Lts)	N.A.	N.A.
Coal (Tonnes)	N.A.	N.A.
Light Disel Oil (Lts)	5.58	1.19
b. SPECIALITY CHEMICALS		
Electricity (Units)	7.50	10.69
Furnance Oil (Lts)	N.A.	N.A.
Coal (Tonnes)	N.A.	N.A.
Light Disel Oil (Lts)	1.13	1.97

## TECHNOLOGY ABSORPTION :

## 1 Research &amp; Development :

## A) Specific areas in which R &amp; D carried out by the Company :

Focus of R & D was shifted during the year under review from Bulk Drugs to Drug Intermediates and Speciality Chemicals. Custom Synthesis with process development has been indentified on specific area for R & D for the future.

## B) Benefits derived as a result of the above R &amp; D :

Many products in Speciality Chemicals/Drug Intermediate range has been commercialised during the year under review, accessing new customers and new markets.

## C) Future Plan of Action :

Company will continue to focus on its core competence of inhouse R & D based process scaling up and commercial development. Company also proposes to obtain certification on ISO 9000 and GMP.

## D) Expenditure on R &amp; D :

	1997-98	(Rs. in Lacs) 1996-97
a. Capital	0.21	4.77
b. Recurring	19.40	18.97
TOTAL	19.61	23.74
c. Total R & D Expenditure as a percentage of total Turnover	1.14%	2.11%