

21st Annual Report 1999-2000

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BOMBAY DRUGS & PHARMAS LIMITED

BOMBAY DRUGS & PHARMAS LIMITED

BOARD OF DIRECTORS : **Dr. G. G. Nair** *Chairman-Cum-Managing Director*
Mrs. J. G. Nair *Director*
Dr. V.D. Patil *Director*
Mr. Nilesh Doshi *Additional Director*
Dr. Vikram Hingorani *Additional Director*
Mr. S. K. Biswas *Additional Director*

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.-Panoli
Dist. Bharuch
Gujarat

TWENTYFIRST ANNUAL GENERAL MEETING at The No.1 Party Hall,
2, Sumer Nagar, S. V. Road, Borivli
(West), Mumbai - 400092 on Thursday,
the 29th June, 2000 at 2.30 p.m.

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**BOMBAY DRUGS & PHARMAS LIMITED****NOTICE**

NOTICE is hereby given that the Twentyfirst Annual General Meeting of the Members of BOMBAY DRUGS & PHARMAS LIMITED will be held on Thursday, the 29th June, 2000 at The No. 1 Party Hall, 2, Sumer Nagar, S.V. Road, Borivli (West), Mumbai 400 092 at 2.30 p.m. to transact the following business :

ORDINARY BUSINESS :

1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 2000 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 Auditors.

SPECIAL BUSINESS :

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

"RESOLVED THAT Dr. Vikram Hingorani, Mr. Nilesh K. Doshi and Mr. Santosh Kumar Biswas, who were appointed as Additional Directors 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, Notices in writing, proposing their candidature for the Office of the Director, be and are hereby appointed as Directors of the Company, liable to retire by rotation."

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 28th June, 2000 to Thursday, the 29th June, 2000, 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. 3 :

Dr. Vikram Hingorani, Mr. Nilesh K. Doshi and Mr. Santosh Kumar Biswas were appointed as Additional Directors by the Board of Directors at their meeting held on 8th February, 2000, pursuant to Section 260 of the Companies Act, 1956. They hold office as Directors, up to the date of Annual General Meeting. Company has received notices in writing, proposing their candidatures for the Office of the Directors of the Company.

The Board of directors consider it desirable to avail the services of Dr. Vikram Hingorani, Mr. Nilesh Doshi and Mr. S.K. Biswas, in the interest of the Company.

Dr. G.G. Nair, Mrs. Jayashree Nair, Dr. Vikram Hingorani, Mr. Nilesh Doshi and Mr. S. K. Biswas are concerned or interested in the above resolution.

BY ORDER OF THE BOARD

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

MUMBAI

Dated : 28th April, 2000.

REGISTERED OFFICE :

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

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DIRECTORS' REPORT

To,

THE MEMBERS

BOMBAY DRUGS & PHARMAS LIMITED

Your Directors hereby presents their Twenty-first Annual Report alongwith the Audited Statement of Accounts for the year ended 31st March, 2000.

FINANCIAL RESULTS :

(Rs. in Lacs)

	1999-2000	1998-99
Turnover & Other Income	1334.18	1949.28
Profit before Interest and Depreciation	101.06	217.17
LESS : Interest	72.76	88.21
Depreciation	35.52	33.79
Profit/(Loss) before Tax	-(7.22)	95.17
LESS : Provision for Taxation	—	2.00
Net Profit/(Loss) After Tax	-(7.22)	93.17
ADD : Surplus Brought Forward from the previous year	290.50	199.33
	283.28	292.50
Appropriation to		
1. General Reserve	—	2.00
2. Balance carried forward to Balance Sheet	283.28	290.50

TURNOVER & PROFITS

The Total Turnover has decreased to Rs. 1312.00 lacs in the year under review as against Rs. 1938.68 lacs in the previous year. During the year under review, there have been frequent disruptions in production at our Panoli Factory, due to voluntary as well as Statutory upgradation of Effluent Treatment Plant and related facilities. The Department of Environment & Forest as well as the Gujarat Pollution Control Board had during the year, prescribed additional environmental protection measures which your company has undertaken and implemented. Your Company has also become shareholder and member of Environment Protection & Infrastructure Companies, like M/s. Bharuch Enviro infrastructure Ltd. and M/s. Panoli Enviro Tech. Ltd. and has also registered with the Central Effluent Treatment Facility of M/S. ADIRASAYAN LTD. The Panoli Plant is presently fully compliant and operated without any disruption during 2000.

The Tarapur Plant is a member of the Tarapur MIDC's CETP and continued to be fully compliant on Environmental matters.

The operating profit for the year 1999-2000 has also decreased to Rs. 101.06 lacs as against Rs. 217.17 lacs in the year 1998-99, due to decrease in Sales and increased cost of materials and operations.

In view of above, there is a Net Loss of Rs. 7.22 lacs in the year under review, as against a Net Profit of Rs. 93.17 lacs in the previous year.

EXPORTS :

The Export Turnover decreased to Rs. 1193.90 lacs as against Rs. 1676.25 lacs in the previous year. As described above, we were compelled to restrict our operations during the year, resulting in lower export turnover.

DIVIDEND :

Due to loss during the year, your Directors are of the opinion, not to recommend any dividend for the year under review.

MERGER/ AMALGAMATION :

Your Company has good potential in the niche areas of its operation, to achieve critical mass and to be proactive on managing changing scenario, which is sweeping not only India, but also globally.



BOMBAY DRUGS & PHARMAS LIMITED

Your Company is proposed to be merged with M/s. Strides Arcolab Ltd., which is fast emerging to be one of the leading Indian Company in the International Arena. There is almost total synergy between your Company and the Speciality Chemical Division of M/s. Strides Arcolab Ltd. The Proposed merger will bring tremendous advantage and greater potential to both the Companies as well as the Stakeholders in the Companies. The Valuation Report and the Scheme of Amalgamation / Merger are under preparation and you will be kept informed at the appropriate time.

FUTURE PROSPECTS :

Your Company is expected to perform to its full potential following the proposed merger. During Current year a turnover of Rs. 25.00 Crore is expected to be achieved. With the improved fundamentals and support from M/s. Strides Arcolab Ltd., your Company, proposes to refurbish its plants to International Standards, not only in manufacturing facilities, but also in Utilities, Effluent Treatment and Safety, Health and Environmental Management.

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 & 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.

DIRECTORS :

Dr. B.L. Gupta, Dr. (Mrs.) Torulata Gupta, Mr. S.C. Kachhara and Dr. Raghavan Soman, Directors of the Company have been resigned from the Directorship of the Company and Dr. Vikram Hingorani, Mr. Nilesh K. Doshi and Mr. S.K. Biswas are appointed as Additional Directors of the Company, to hold office until ensuing Annual General Meeting.

The Company has received Notices pursuant to Section 257 of the Companies Act, 1956 proposing Mr. Nilesh Doshi, Dr. Vikram Hingorani and Mr. S.K. Biswas for Appointment as the Directors of the Company at the ensuing Annual General Meeting.

Mrs. Jayashree G. Nair, Director liable to retire by rotation at the ensuing Annual General Meeting, does not offer herself for reappointment.

AUDITORS :

Mr. G. L. Kachhara, Chartered Accountant, Statutory Auditor of the Company, retires at the ensuing Annual General Meeting and is eligible, for re-appointment. Your Directors recommend re-appointment of the Auditor.

LISTING :

Your Company is listed on Mumbai, Ahmedabad and Madras Stock Exchanges and Listing Fees for the year 2000-2001 has already been paid.

ACKNOWLEDGMENT :

Your Directors acknowledge with gratitude, the co-operation from Company's Bankers and various Government Institutions during the year under review.

We also appreciate our Employees at all level for the devoted services rendered by them and above all, we acknowledge with gratitude the co-operation of the shareholders for supporting the continued growth of the Company.

FOR AND ON BEHALF OF THE BOARD

DR. G.G. NAIR

CHAIRMAN CUM MANAGING DIRECTOR

Mumbai,

Dated : 28th April, 2000.

Regd. Office :

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

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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	1999-2000	1998-99
1 Electricity		
a. Purchased		
Units (in kwh)	947,960	976,022
Total Amount (in Rs.)	4,463,373.59	4,202,249.00
Average Rate/Unit (Rs.)	4.71	4.31
b. Own Generation		
i Through Diesel Generators		
Units (in kwh)	16,991.88	16,149.94
Total Amount (in Rs.)	127,892.36	99,728.00
Average Rate/Unit (Rs.)	7.53	6.18
ii Through Steam Turbine/Generators	N.A.	N.A.
2 Coal	N.A.	N.A.
3 Furnace Oil	N.A.	N.A.
4 Others		
L.D. Oil		
Quantity (Litres)	182,018.40	184,274.00
Total Cost (Rs.)	2,513,837.85	1,795,992.00
Average Rate/Unit (Rs. per litre)	13.81	9.75

B. CONSUMPTION PER KG OF PRODUCTION :

In view of varied nature of products, the compilation of accurate consumption per unit of production is not feasible.

TECHNOLOGY ABSORPTION :**1 Research & Development :****A) Specific areas in which R & D carried out by the Company :**

R & D process development work was mainly focused on custom synthesis and contract manufacture as per the International Clients need and resulted in developing 50 items and scaling up 9 items during the year.

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

The lab/commercial samples met the clients expectation and benefits are expected to be realised in long term.

C) Future Plan of Action :

Your Company will continue to focus on selected international clients for custom synthesis and contract manufacture of specific speciality chemicals & drug intermediates.

D) Expenditure on R & D :

	(Rs. in Lacs)	
	1999-2000	1998-99
a. Capital	12.71	13.13
b. Recurring	40.43	31.46
TOTAL	53.14	44.59
c. Total R & D Expenditure as a percentage of total Turnover	3.98%	2.28%