

*22nd Annual Report 2000-2001*

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**BOMBAY DRUGS & PHARMAS LIMITED**

# BOMBAY DRUGS & PHARMAS LIMITED

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

**ASST. COMPANY SECRETARY** : **Mrs. Parul B. Shah**

**AUDITORS** : **G.L.Kachhara**  
Chartered Accountant  
Mumbai

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

**SHARE TRANSFER/DEMAT DEPARTMENT** : T-12, Avenue Villa Banglow  
Saraf Chowdhari Nagar,  
Thakur Complex, 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

**TWENTYSECOND ANNUAL GENERAL MEETING** at The No.1 Party Hall,  
2, Sumer Nagar, S. V. Road, Borivli  
(West), Mumbai - 400092 on Thursday,  
the 27th September, 2001 at 3.00 p.m.

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

NOTICE is hereby given that the Twenty-second Annual General Meeting of the Members of BOMBAY DRUGS & PHARMAS LIMITED will be held on Thursday, the 27th September, 2001, at The No. 1 Party Hall, 2, Sumer Nagar, S.V. Road, 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, 2001 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 Director, in place of Mr. Nilesh K Doshi, who retires by rotation, being eligible, offer him-self for re-appointment.
3. To appoint Director, in place of Dr. Vikram Hingorani, who retires by rotation, being eligible, offer him-self for re-appointment.

**SPECIAL BUSINESS :**

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

"RESOLVED THAT pursuant to Section 225 and other applicable provisions, if any, of the Companies Act, 1956, M/s P. Chandrasekar, Chartered Accountants, be and is hereby appointed as Statutory Auditors of the Company in place of M/s.G.L.Kachhara, Chartered Accountants, retiring auditors, to hold office from the conclusion of this Annual General Meeting until the conclusion of next Annual General Meeting, at a remuneration as may be fixed by the Board of Directors."

**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 Register of Members and Share Transfer Books of the Company will be closed from Monday, the 24th September, 2001 to Thursday, the 27th September, 2001, both the days inclusive.
3. Members are requested to intimate the change in address, if any, at the Corporate Office and Share Transfer-Demat Department, at T-12, Avenue Villa Bungalow, Saraf Chowdhari Nagar, Thakur Complex, Kandivli East, Mumbai - 400 101.
4. 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:**

Your company is in the process of Merger with Strides Arcolab Limited, and your Directors feel it necessary to have an Auditor who is common with Strides Arcolab group. Hence your Directors recommend to appoint M/s P. Chandrasekar, Chartered Accountants as Statutory Auditors of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of next Annual General Meeting.

None of the Directors are concerned or interested in the above resolution.

BY ORDER OF THE BOARD

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

MUMBAI

Dated : 2nd July, 2001.

**REGISTERED OFFICE :**

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

*22nd Annual Report 2000-2001***DIRECTORS' REPORT**

To,

The Members,

**BOMBAY DRUGS & PHARMAS LIMITED**

Your Directors hereby present their Twenty-second Annual Report alongwith the Audited Statement of Accounts for the year ended 31st March, 2001.

**FINANCIAL RESULTS**

		(Rs. In lacs)
	<b>2000-2001</b>	<b>1999-2000</b>
Turnover & Other Income	<b>1220.52</b>	1334.18
Profit before Interest and Depreciation	<b>161.04</b>	101.06
Less: Interest	<b>103.14</b>	72.76
Depreciation	<b>41.66</b>	35.32
Profit/(Loss) before Tax	<b>16.24</b>	-7.22
Less : Provision for Taxation	<b>0.50</b>	—
Net Profit/(Loss) after Tax	<b>15.74</b>	-7.22
Add: Surplus brought forward from previous year	<b>283.28</b>	290.50
Appropriations to		
1. General Reserve	—	—
2. Balance carried forward to Balance Sheet	<b>299.02</b>	283.28

**TURNOVER & PROFITS**

The total turnover has decreased to Rs. 1147.53 Lacs as against Rs. 1312.00 lacs in the previous year due to changes in the strategies adopted by the management. The management strategies were targeted at improving the yield and achieving cost reduction. Further the management also decided to concentrate only on the production of specialty chemicals with better margins, delinking from manufacture of Bulk Drugs. The bottom line of the Company has improved by generating a Profit after tax of Rs. 15.74 Lacs as against a loss of Rs. 7.22 lacs in the previous year. There is an increase in the operational profit for the year under review to Rs. 161.04 lacs from Rs. 101.06 lacs in the previous year.

Net profit stands at Rs. 15.74 lacs in the year under review, as against a loss of Rs. 7.22 lacs in the previous year.

**EXPORTS**

Export turnover decreased from Rs. 1193.90 lacs in the previous year to Rs. 1043.01 lacs in the year under review. This was basically due to the management decision on cutting down the product list to core products that would give bulk and margin to the company.

**DIVIDEND**

Your Directors are of the opinion, not to recommend any dividend for the year ended 31st March, 2001.

**MERGER/ AMALGAMATION**

Pursuant to Resolution passed by the Members at the Extra Ordinary General Meeting held on 9th January, 2001, Petition for Merger of the Company with M/s Strides Arcolab Ltd., was filed with Hon'ble High Court, Bombay on 12th February 2001. The same was admitted by the Court on 13th June 2001 and said Petition is fixed for hearing before the Hon'ble Judge.

**RESEARCH & DEVELOPMENT**

Your Company is in the process of developing new products and results of which are expected to be visible in the Company's turnover for the ensuing years.



## BOMBAY DRUGS & PHARMAS LIMITED

### FUTURE PROSPECTS

Your Directors feel that the technology and the products developed would cater to up bringing the company to high level of international standards and rapid growth.

### FIXED DEPOSITS

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

During the year under review, there were no employee's who had drawn remuneration to the extent of the limits specified in Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particular of Employees) Rules, 1975.

### DIRECTORS

Mr. Nilesh K Doshi, and Dr. Vikram Hingorani, Directors of the Company, liable to retire by rotation, and being eligible, offer themselves for re-appointment.

### DIRECTORS RESPONSIBILITY STATEMENT

In accordance with the provision of Section 217 (2AA) of the Companies Act, 1956, the Board of Directors affirm :

- That in the preparation of the accounts for the year ended 31st March, 2001, the applicable accounting standards have been followed, and there are no material departures therefrom.
- That the accounting Policies have been selected and applied consistently, and made judgements and estimates that are reasonable and prudent, so as to give true and fair view of the state of affairs of the Company as at 31st March, 2001 and of the profit of the Company for the year ended on that date.
- That the proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- That the accounts for the year ended 31st March, 2001 has been prepared on a going concern basis.

### CORPORATE GOVERNANCE

Although the guidelines prescribed by SEBI and amended Clause 49 of the Listing Agreement are not applicable to your Company for the Year under report, effective steps have been initiated to comply with the guidelines. A report on this is annexed herewith as Annexure II.

### AUDITORS

Mr. G.L. Kachhara, Chartered Accountant, Statutory Auditor of the Company, retires at the ensuing Annual General Meeting. Your Directors propose to appoint M/s. P. Chandrasekar, Chartered Accountants as Statutory Auditors of the Company in place of retiring Auditor.

### ACKNOWLEDGEMENT

The Directors wish to place on record their thanks to the Employees at all level, Company's Bankers, Shareholders and various Government Institutions for their continued support towards the growth of the Company.

For and on behalf of the Board

Mumbai  
Dated : 27th June, 01

**Dr. G.G. Nair**  
Chairman cum Managing Director

**Registered office :**  
Nair Baug, Akurli Road,  
Kandivli (East),  
Mumbai - 400 101.

## 22nd Annual Report 2000-2001

## 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	2000-2001	1999-2000
1 Electricity		
a. Purchased		
Units (in kwh)	10,53,978.00	947,960.00
Total Amount (in Rs.)	63,46,090.52	4,463,373.59
Average Rate/Unit (Rs.)	6.02	4.71
b. Own Generation		
(i) Through Diesel Generators		
Units (in kwh)	39,220.52	16,991.88
Total Amount (in Rs.)	3,97,583.10	127,892.36
Average Rate/Unit (Rs.)	10.14	7.53
(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)	3,35,536.00	182,018.40
Total Cost (Rs.)	48,68,057.06	2,543,837.85
Average Rate/Unit (Rs. per litre)	14.60	13.81

## 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 &amp; Development :

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

During the current financial year your company targeted on improving the yields of the existing product base

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

The benefits derived against the above activity under taken by the company are reflected in the current year and is expected further in the ensuing years.

## C) Future Plan of Action :

Your company is poised to develop new products and client base in the ensuing year through its strong R&amp;D team and research members.

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

	2000-01	1999-00
a. Capital	31.28	12.71
b. Recurring	34.62	40.43
<b>TOTAL</b>	<b>65.90</b>	<b>53.14</b>
c. Total R & D Expenditure as a percentage of total Turnover	5.74%	4.05%





## BOMBAY DRUGS &amp; PHARMAS LIMITED

**2. Technology Absorption, Adaptation and Innovation :****A. Efforts in brief made towards Technology Absorption, Adaptation and Innovation :**

During the year under review, your company made efforts in the better management of the established technology developed over the years.

**B. Benefits derived as a result of the above efforts :**

The benefit of better management of technology developed is reflected in the improvement of yield during the current year as compared to in the previous year.

**C. Technology imported during the last 5 years :** NIL**FOREIGN EXCHANGE EARNINGS AND OUTGO :**

	2000-2001	(Rs. in lacs) 1999-2000
i. Foreign Exchange Earned	1,016.63	1,103.72
ii. C.I.F Value of Imports		
Raw Material	150.44	292.72
Capital Goods	6.75	-
iii. Foreign Travel	1.13	0.86
iv. Commission	1.68	4.01
v. Subscriptions	0.08	0.04

**ANNEXURE II TO DIRECTORS' REPORT**

Report on the Corporate Governance:

**1. COMPANY'S PHILOSOPHY:**

The Board of Directors supports the broad principles of corporate governance and lays strong emphasis on transparency, accountability and integrity.

**2. BOARD OF DIRECTORS:**

COMPOSITION: The Board of Directors comprises of a combination of Executive and Non-Executive Directors who are professionals in their respective fields and having wide range of experience. Details of composition and Directors attendance at Board meetings and last Annual General Meeting is as under :

Name of the Director	Category	No. of Board Meetings attended	Attendance at last AGM
Dr. Gopakumar G. Nair-CMD	Executive	6	Yes
Dr. Vinayak D. Patil - Whole-time	Executive	5	Yes
Dr. Vikram Hingorani	Non-Executive	6	Yes
Mr. Nilesh K. Doshi	Non-Executive	6	Yes
Mr. Santoshkumar K. Biswas	Non-Executive	3	Yes

During the year 6 Board Meetings were held on 28th April, 2000, 29th June, 2000, 11th July, 2000, 27th July, 2000, 24th October, 2000 and 29th January, 2001.

**3. FORMATION OF VARIOUS COMMITTEES :**

Company is under process of forming Audit Committee, Investors/ Shareholders Grievance Committee and Remuneration Committee as the provisions of Clause 49 of the Listing Agreement is not applicable to the Company for the year under report.

**4. DETAILS OF REMUNERATION :****a) Executive Directors:**

Name	Salary	Commission	Other benefits	(Rs. In Lacs) Total
Dr. G.G. Nair	7.09	0.24	0.69	8.02
Dr. V.D. Patil	7.02	-	0.67	7.69