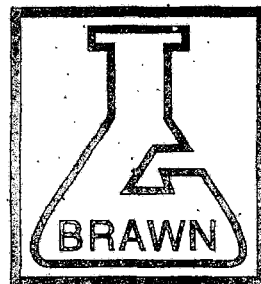


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YE	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>

13th

Annual Report 1997-98

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BRAWN PHARMACEUTICALS LIMITED

...for better life



13th Annual General Meeting**Date**

24th December, 1998

Day

Thursday

Time

9:30 A.M

Place

The Executive Club,
439, Vill - Shahoorpur
P.O. - Fatehpur Beri
New Delhi - 110 030.

Board of Directors

A.K. Gupta	- Chairman
B.R. Gupta	- Managing Director
J.P. Gupta	- Director
S.K. Saini	- Director
B.K. Dash	- Director

Senior Executives

Sanjiv Saini	- President - Intl. Div.
Roop Singh	- GM - Marketing
A. Banerjee	- GM - Sales
A.K. Jain	- DGM - Accounts


Auditors

M/s M.K. Aggarwal & Company
Chartered Accountants
4598/12-B, Ansari Road,
Darya Ganj
New Delhi - 110 002

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Bankers

Oriental Bank of Commerce
85-A, Rishyamook Building
Panchkuin Road
New Delhi - 110 001

Registered Office & Works

W-11, Okhla Industrial Area
Phase-II, New Delhi - 110 020



Brawn Pharmaceuticals Ltd.

13TH ANNUAL REPORT 1997-98

NOTICE

Notice is hereby given that the 13th Annual General Meeting of the Members of Brawn Pharmaceuticals Ltd. will be held on Thursday, the 24th December, 1998 at 9:30 A.M. at The Executive Club, 439, Vill - Shahoorpur, P.O - Fatehpur Beri, New Delhi - 110030 to transact the following business:

Ordinary Business

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 1998 and Profit and Loss Account for the year ended on that date and the Reports of the Board of Directors' and Auditors' thereon.
2. To appoint a Director in place of Mr. J.P. Gupta, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Auditors and fix their remuneration and for this purpose, to consider and if thought fit, to pass with or without modification the following resolution:
"RESOLVED that M/s M.K. Aggarwal & Company, Chartered Accountants, New Delhi be and are hereby re-appointed as Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting on such remuneration as shall be fixed by the Board of Directors of the Company."

Special Business

4. To consider, and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution.

"RESOLVED THAT the Consent of the Members of the company be and is hereby accorded to discontinue the listing of the securities of the company listed in the Stock Exchanges of Madras and Jaipur and accordingly, the company be and is hereby authorised to discontinue the listing from the year 1999-2000."

NOTES

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY IN ORDER TO BE EFFECTIVE MUST BE LODGED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
2. The Register of Members and Share Transfer Books of the Company will remain closed from Monday the 21st December, 1998 to Thursday, the 24th December, 1998 (both days inclusive).
3. The Explanatory Statement as required under section 173(2) of the Companies Act, 1956 setting out the material facts in respect of the business under item Nos. 4 is annexed hereto.
4. Members/proxies should bring the attendance slip sent herewith duly filled in for attending the meeting.
5. Shareholders seeking any information or having any query with regard to accounts are requested to write to the Company, at least seven days before the date of the meeting, so as to enable the management to keep the information ready.
6. Members are requested to bring their copies of the Annual Report with them to the meeting as extra copies of the Annual Report will not be available for distribution at the meeting.
7. Pursuant to the Provisions of section 166(1) of the Companies Act, 1956, the Company has obtained extension in time by three months for holding the 13th Annual General Meeting vide Letter No. 55-22468/3439 dtd. 16.09.1998 from the Registrar of Companies, Delhi & Haryana.

EXPLANATORY STATEMENT (PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956)

Item No.4

In terms of the prospectus for the Company's Public Issue, the Company's Securities are listed at Delhi, Bombay, Madras and Jaipur Stock Exchanges.

Keeping in view the over all review of the efficiency of our operations and also with a view to cut down Company's overheads, it is advisable to discontinue Company's listing agreement with Madras and Jaipur Stock Exchanges. This is not likely to affect the shareholder's interest, since, the Company's Securities are listed on Delhi and Bombay Stock Exchanges.

The company recommends the delisting of Securities from the Stock Exchanges of Madras and Jaipur, as this will not adversely affect the liquidity to the Investors.

The Share Holders are requested to accord their approval to the proposed Resolution.

None of the Director is in any way concerned or interested in the above resolution.

Place : New Delhi
Date : 31.10.1998

By order of the Board of Directors
for Brawn Pharmaceuticals Ltd.

(A.K. Gupta)
Chairman



Brawn Pharmaceuticals Ltd.

13TH ANNUAL REPORT 1997-98

DIRECTORS' REPORT

THE MEMBERS

BRAWN PHARMACEUTICALS LTD.

Your directors have pleasure in presenting the 13th Annual Report together with the Audited Statement of Accounts of your Company for the year ended 31st March, 1998.

Financial Results

The Working Results of the company for the year under review are summarised as under:

(Rupees in lacs)		
Particulars	1997-98	1996-97
Sales and other Income	1425.02	1699.26
Profit before interest, Depreciation & Tax	64.18	104.02
Interest	35.47	50.01
Depreciation	15.45	15.18
Profit before Tax	13.26	38.83
Provision for Tax	1.10	5.65
Profit after Tax	12.16	33.18
Profit available for appropriation	12.16	33.18
Appropriations		
Transfer to General Reserve	10.00	10.00
Surplus carried to Balance Sheet	2.16	23.18

Performance

The Industry in general faced acute recession last year. The impact on the company's turnover was severe due to both domestic and international competition. However, with the cost reduction and the quality improvement programmes instituted by the company, the impact was minimised. The turnover of your company for the current year stood at Rs. 1425.02 lacs as compared to the previous year Rs. 1699.26 lacs.

Dividend

In order to conserve liquid resources, the Board of Directors of your company are of opinion that no dividend for the year, 1997-98 be recommended & resources be utilised for strengthening the existing operations of the Company.

Marketing

Despite increased competition, the branded products of your company enjoy preference over the competitors' products both in Domestic and International Market. In the current year, your company is manufacturing and launching such new products, which are beyond the ambit of severe competition and enable the company to improve margins of profitability.

Directors

In accordance with the Articles of Association of the company, Sh. J.P. Gupta, Director retire by rotation at the ensuing Annual General Meeting and, being eligible, offer himself for re-appointment.

Auditors

M/s M.K. Aggarwal & Company, Chartered Accountants, statutory Auditors of the Company hold office until the conclusion of the ensuing Annual General Meeting and are recommended for re-appointment. The Company has received a certificate from them to the effect that their re-appointment, if made, would be within the prescribed limits under section 224 (1B) of the Companies Act, 1956.

Auditors' Report

The Report of the Auditors and notes on accounts are self explanatory and therefore do not call for any further explanations.

Conservation of Energy, Technology Absorption and Foreign Exchange earnings and outgo.

Information in accordance with the provisions of Section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988 regarding conservation of energy, technology absorption and foreign exchange earnings and outgo is given in the annexure forming part of this Report.

Particulars of Employees

As required by the provisions of section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 as amended, we report that there was no employee, whether on part time or full time basis, who received remuneration exceeding the limits prescribed under the said section of the Act.