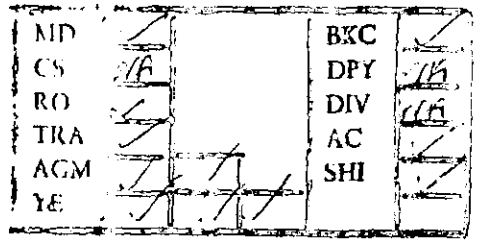
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HULTA PHARMACEUTICAL EXPORT LIMITED,

BAID METHA COMPLEX, 183, MOUNT ROAD,
SAIDAPET, CHENNAI - 600 015.

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Board of Directors	Mr. Harish L Metha	Chairman & Managing Director
	Mrs. Vasanta Metha	Director
	Dr.K.Balasubramanian	Director
	Dr.B. Jawaharlal	Director
	Mr.M. Ashok Bhagani	NRI Director
	Mr. Harish M. Sethiya	Alternate of Mr. M. Ashok Bhagani
	Mr. M. Venugopal	NRI Director
	Mr. T.V. Sekar	Alternate of Mr. M. Venugopal
	Mr. V. Kalyanaraman	Director
Auditors	K.V.C. Raju & Co., Chartered Accountants, T.N.C.C. Building, 574, Mount Road, Chennai - 600 006.	
Bankers	Tamilnad Mercantile Bank Limited, Canara Bank, Vysya Bank, Vijaya Bank.	
Share Transfer Agents	Integrated Advisory Services Limited, Park View Basement II, 85, G.N. Chetty Road, T. Nagar, Chennai- 600 017.	
Registered office	"Baid Metha Complex", 183, Mount Road, Saidapet, Chennai - 600 015.	
Factory	A-34, Madras Export Processing Zone, Tambaram, Chennai - 600 045.	

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NOTICE

NOTICE is hereby given that the Tenth Annual General Meeting of the Company will be held on Wednesday, the 27th day of August, 1997 at 10.15 a.m. at the MUSIC ACADEMY (MINI HALL), No. 306, T.T.K.Road, Royapettah, Chennai-600 014 to transact the following business:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 1997 and the Profit and Loss Account for the year ended on that date and the Report of the Directors and the Auditors thereon.

2. To appoint a Director in place of Mr. M. Venugopal who retires by rotation and being eligible offers himself for reappointment.

3. To appoint a Director in place of Mr. V Kalyanaraman who retires by rotation and being eligible offers himself for reappointment.

4. To appoint Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

NOTES

1. APPOINTMENT OF PROXY.

A Shareholder entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself/herself and a proxy need not be a Shareholder of the Company.

2. DELIVERY OF PROXY FORM.

The Proxy Form, duly filled in and signed by the Shareholder, must be lodged with the Company at its Registered Office at "Baid Metha Complex" , 183, Mount Road, Saidapet, Chennai- 600 015 not later than 48 hours before the date of the Meeting.

3. CLOSURE OF REGISTER OF MEMBERS.

The Register of Members and the Share Transfer Books of the Company shall remain closed from 23rd August, 1997 to 27th August, 1997 (both days inclusive).

4. ATTENDANCE SLIP.

For the convenience of the Shareholders, Attendance Slip is annexed to the Proxy Form. The Shareholder is requested to fill in and affix his/her signature at the space provided therein and DELIVER the Attendance Slip at the entrance of the venue of the Meeting. Proxy/Representative of a Shareholder

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should mark on the Attendance Slip as " Proxy" or "Representative" as the case may be.

5. REQUEST TO MEMBERS.

As a measure of economy, copies of the Annual Report will not be distributed at the Annual General Meeting. Members are requested to bring their copies of the Annual Report to the Meeting. They are further requested to occupy their seats at least fifteen minutes before the scheduled time for the commencement of the Meeting to avoid interruption in the proceedings.

6. GENERAL.

All documents referred to in the above Notice will be available for inspection at the Registered Office of the Company on all working days between 11.00 a.m. and 1.00 p.m. till the date of the Annual General Meeting.

Shareholders seeking information on accounts published herein are kindly requested to forward their queries to the Company at least ten days before the date of the Annual General Meeting.

By order of the Board ,
for HULTA PHARMACEUTICAL EXPORT LIMITED,

Harish L. Metha
Chairman & Managing Director.

Registered Office :
"Baid Metha Complex" ,
183, Mount Road, Saidapet, Chennai -600 015.
28th June, 1997.

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DIRECTORS' REPORT

To the Members

Your Directors have pleasure in presenting their Tenth Annual Report together with the Audited Financial Results and Statement of Accounts of the Company for the financial year ended 31st March, 1997.

1. FINANCIAL RESULTS.

	Particulars	For the Year ended 31.3.97	31.3.96
		(Rs. in lakhs)	
1.	Operational Income	56.37	42.74
2.	Interest income	24.68	22.42
3.	Total income	81.05	65.16
4.	Total Expenditure before interest and depreciation	51.75	50.77
5.	Interest	4.02	6.66
6.	Gross profit after interest but before depreciation and taxation	25.28	7.73
7.	Depreciation	3.72	2.63
8.	Provision for taxation	-	0.46
9.	Net Profit	21.56	4.64
10.	Paid up equity share capital	545.59	545.52
11.	Reserves (excluding revaluation reserve)	34.77	12.75

2. DIVIDEND.

In the light of insufficiency of accumulated profits after tax available for appropriation, your Directors have thought it expedient and accordingly do not recommend payment of dividend for the year 1996 - 97.

3. OPERATIONS.

Your Directors are happy to state that the Company could achieve a more than fourfold increase in the profit after tax for the year 1996 - 97 as compared to 1995 - 96.

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Though it may be observed that there is no such proportionate augmentation in the turnover as compared to the profit after tax, yet the unembellished and irrefutable fact is that this turnover could be achieved in the face of very stiff and impregnable competition reigning the pharmaceutical market the world over that took the vibrancy and zip off the industry during 1996 - 97, coupled with abominable and appalling recession that practically took the wind out of our sails, thus stultifying our indefatigable and unflinching endeavours, besides severely hampering our reaching the higher rungs of the ladder.

Consequent to the petering out of the said recession and very good export market for the pharmaceutical products being in the offing, your Directors are brimful of sanguineness that the year 1997 - 98 will be indubitably a very successful and morale-boosting one, in terms of production as well as turnover.

Another redeeming feature in the accompanying accounts is that your Company, by dint of hammering out and meticulously implementing relentless sumptuary measures, stringent cost control and cost analysis methods and whittling down unnecessary items of expenditure as could be seen from the accounts, could take the credit of having brought down the total revenue expenditure considerably.

Your Company, in view of very good export orders on hand at present, has gone in for addition of machinery for Rs.40.45 lakhs during the fag end of 1996 - 97, thus augmenting the total installed production capacity by more than 20% as compared to the previous year to cope with the export market in full during 1997 - 98. In fact, your Company has already, for the year 1997 - 98, achieved an export turnover of Rs.45.00 lakhs and is hopeful to complete the year with a creditable performance.

4. OUTSTANDING DEBTORS & ADVANCES.

As regards the outstanding debtors and advances of Rs.59,49,847 and Rs.1,74,44,836 respectively which are more than one year old (vide item 2 under Notes on accounts), your Directors wish to say that they have been initiating all possible steps to see that the outstandings are recovered in full and that the items towards which the advances have been given are supplied without further delay.

5. STATUTORY INFORMATION.

Your Directors state that with reference to the provisions contained in Sec.217 (2A) of the Companies Act, 1956, none of the employees are in receipt of remuneration of not less than Rs.3 lakhs in a year or Rs.25,000/- p.m., in any part of the year.

In compliance of the provisions contained in Sec.217 (1) (e) of the Companies Act, 1956, your Directors state that the company has earned a sum of Rs.54,29,363/- by way of foreign exchange and spent NIL towards outgo towards travelling. However, other details required to be mentioned under the said section are not applicable.

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6. DIRECTORS.

Mr. M. Venugopal and Mr. V.Kalyanaraman, Directors of the Company retire by rotation and being eligible, offer themselves for reappointment.

7. AUDITORS.

M/s. K.V.C. Raju & Co., Chartered Accountants, the Auditors of the Company, retire at the conclusion of the Annual General Meeting and are eligible for re-appointment.

8. EMPLOYEES.

The management - employees relationship has been very cordial during the year under review.

9. ACKNOWLEDGEMENT.

Your Directors wish to express their profound and profuse appreciation to all the staff members for their valuable contribution to the performance of the Company and also to the Banks, Share Transfer Agents and the Shareholders for their continued support.

For and on behalf of the
Board of Directors

Chennai
28th June, 1997.

Harish L. Metha
Chairman & Managing Director

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AUDITORS' REPORT

To
The Shareholders of
Hulta Pharmaceutical Export Limited.

I. We have audited the attached Balance Sheet as at 31st March, 1997 and the Profit and Loss Account for the year ended on that date of Hulta Pharmaceutical Export Limited, Chennai and report as under :

(i) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.

(ii) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.

(iii) The company's Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of account.

(iv) In our opinion and to the best of our information and according to the explanations given to us, the said accounts together with the notes thereon annexed hereto give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view:

a) In the case of the Balance Sheet, of the state of affairs of the company as at 31st March, 1997

AND

b) In the case of the Profit and Loss Account , of the Profit for the year ended on that date.

II. As required by the Manufacturing and other Companies (Auditors' Report) Order, 1988, we give below our replies for the various points referred to in para 4 of the said Order:

(i) The Company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets. These fixed assets are reported to have been physically verified by the Management and there are no discrepancies noticed on such verification.

(ii) The fixed assets have not been revalued during the year.

(iii) Physical verification has been conducted by the Management in respect of finished goods, stores, spare parts and raw-materials. No discrepancies have been noticed on such verification.

(iv) We are satisfied that the valuation of the stocks is fair and proper in accordance with the normally accepted accounting principles.

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