

14TH ANNUAL REPORT
1998 - 99



Prudential Pharmaceuticals Limited



BOARD OF DIRECTORS

Shri.Vinod Baid	-	Chairman
Shri.K.Bangar Reddy	-	Managing Director
Shri.Ratan Singh Chowdhury		
Shri.H.R.Baid		
Shri.Kishore Jhunjunwala		

REGISTERED OFFICE & WORKS

Sy.No.133, Bollaram, Jinnaram Mandal,
Medak District - 502 325.
Andhra Pradesh

CORPORATE OFFICE

6-3-905, 4th Floor, "Saboo Towers",
Raj Bhavan Road, Somajiguda,
Hyderabad - 500 082 (A.P.)

BANKERS

State Bank of Hyderabad
Overseas Branch, Somajiguda,
Hyderabad - 500 082.

AUDITORS

Lakshminiwas & Jain
Chartered Accountants
5-4-726, Nampally Station Road,
Hyderabad - 500 001.

14th Annual Report 1998-99**NOTICE**

Notice is hereby given that the Fourteenth Annual General Meeting of the Company will be held at **11.00 A.M. on Monday the 27th September, 1999** at the Registered Office of the Company at Survey No. 133, Bollaram, Jinnaram Mandal, Medak District. 502 325 (A.P.) to transact the following business.

ORDINARY BUSINESS :

1. To Receive, consider and adopt the audited Balance Sheet as at 31st March, 1999 and the Profit & Loss Account for the period ended on that date and the Reports of the Directors and the Auditors thereon.
2. To appoint a Director in the place of Shri Vinod Baid, who retires by rotation and being eligible, offers himself for re-appointment.
3. To consider and, if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution.

"RESOLVED THAT M/s.Lakshminiwas & Jain, Chartered Accountants, be and are hereby appointed, Auditors of the Company from the conclusion of this Annual General Meeting upto the conclusion of the next Annual General Meeting on such remuneration as may be fixed by the Board of Directors of the Company."

SPECIAL BUSINESS :

4. To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution ;
"RESOLVED that Sri Kishore Jhunhunwala, be and is hereby appointed a Director of the Company."
5. To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution ;
"RESOLVED that Sri Ratan Singh Chowdhury, be and is hereby appointed a Director of the Company."

For and on behalf of the Board

Place : Hyderabad
Date : 28th May, 1999

H.R.Baid
Director & Secretary

NOTES :

1. The relative explanatory statement pursuant to Section 173(2) of the Companies Act, 1956, in respect of the Business setout under Special Business is annexed hereto.
2. A member entitled to attend and vote at this meeting is entitled to appoint a proxy to attend and vote on a poll instead of himself. A Proxy need not be a member of the Company. Proxies, to be effective, should be deposited at the Registered Office of the Company not later than 48 hours before the commencement of the meeting.
3. The Register of Members of the Company will remain closed from 22nd September, 1999 to 27th September, 1999 (both days inclusive).
4. Members are requested to quote their Registered folio numbers in all their Correspondences with the Company and notify change in their registered address, if any.

EXPLANATORY STATEMENT :

Explanatory Statement in terms of Section 173 (2) of the Companies Act, 1956 annexed to and forming part of the notice convening the Fourteenth Annual General Meeting.

Item No.4 :

Sri Kishore Jhunhunwala was appointed an Additional Director of the Company with effect from 28th May, 1999, under Section 260 of the Companies Act, 1956 and Article 136 of the Articles of Association of the Company. He holds office upto the date of this Annual General Meeting and being eligible, offers himself for appointment at the meeting.

Notice alongwith a deposit of Rupees Five hundred only as required by Section 257 of the Companies Act, 1956 has been received from a Member proposing the appointment of Sri Kishore Jhunhunwala as a Director of the Company.



Prudential Pharmaceuticals Ltd.

No Director other than Sri Kishore Jhunjunwala is concerned or interested in the Resolution.

The Members are, therefore, requested to accord their approval to the same.

Item No.5 :

Sri Ratan Singh Chowdhury was appointed an Additional Director of the Company with effect from 28th May, 1999, under Section 260 of the Companies Act, 1956 and Article 136 of the Articles of Association of the Company. He holds office upto the date of this Annual General Meeting and being eligible, offers himself for appointment at the meeting.

Notice alongwith a deposit of Rupees Five hundred only as required by Section 257 of the Companies Act, 1956 has been received from a Member proposing the appointment of Sri Ratan Singh Chowdhury as a Director of the Company.

No Director other than Sri Ratan Singh Chowdhury is concerned or interested in the Resolution.

The Members are, therefore, requested to accord their approval to the same.

For and on behalf of the Board

Place : Hyderabad

Date : 28th May, 1999

H.R.Baid

Director & Secretary

Report  junction.com

14th Annual Report 1998-99**DIRECTORS' REPORT :**

Your Directors have pleasure in presenting the Fourteenth Annual Report and the Audited Accounts for the period ended 31.03.1999.

1. Financial Results

	Period ended 31/03/1999	Year ended 30/06/1998
	(Rs. in Lacs)	
Profit before Finance Charges and Depreciation	27.51	42.09
Finance Charges	13.57	23.18
Depreciation	12.41	16.65
Provision for Tax	—	—
Profit carried to Balance Sheet	1.53	2.26

The current period figures are pertaining to 9 months of operations, hence not comparable with the previous accounting year.

- 2. Performance & Prospects :** The Company's export performance has improved by 65% during the current period under review compared to the previous accounting year on a pro-rata basis. Turnover has slightly dipped due to the concentration towards Exports. However this has been offset by the better spread available in Exports. The demand of Company's products has been increasing in U.S.A. and Europe and is expected to rule steady over the next few years thereby increasing the Company's potential of capturing more markets and hence improving its performance.

Presently your Company has been able to utilise only 40% of the installed capacity due to which the desired performance could not be achieved. The Company is gearing up to utilise the balance capacity by introducing new products, the impact of which would be reflected in the turnover and profitability of the coming years.

Your Company has already established itself as one of the market leaders in its line of products in the industry, it is able to generate more business because of the consistent quality and goodwill. The Company expects the improvement in prices of drugs which would improve the prospects of the Company.

- 3. Directors :** Shri Vinod Baid, retires by rotation and being eligible offers himself for re-appointment.

S/Sri Ratan Singh Chowdhury and Kishore Jhunjhunwala were appointed as Additional Directors of the Company with effect from 28th May, 1999. The proposal regarding their appointment as Directors of the Company is placed for your approval.

- 4. Auditors :** Messrs. Lakshminiwas and Jain, Auditors of the Company, retire at the ensuing Annual General Meeting and are eligible for re-appointment.

- 5. Year 2000 :** Your Company has taken necessary steps to ensure that all its software and process equipments are Y2K compliant. The Company does not envisage any material/financial loss due to Y2K problem. The cost involved in compliance of the same is ■■■ in-significant.

- 6. Personnel :** Employee relations at all levels were cordial during the year. Your Directors place on record their appreciation of the dedicated work put-in by the employees.

There are no employees in the Company whose particulars are required to be given pursuant to Section 217(2A) of the Companies Act, 1956.

- 7. Acknowledgement :** The Board of Directors are very thankful to the State Bank of Hyderabad and other Government Agencies for their continued help, guidance and assistance in the functioning of the Company.

Your Directors express their gratitude to the shareholders for the confidence reposed in the Company.

Information on Energy Conservation and Technology Absorption required to be disclosed 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, forming part of the Directors' Report for the period ended 31st March, 1999, is enclosed as Annexure to this Report.

for and on behalf of the board

Vinod Baid
Chairman

Place : Hyderabad
Date : 28th May, 1999

**ANNEXURE TO THE DIRECTORS' REPORT**

Information 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

Conservation of Energy :

Assessment of individual equipment/utilities energy requirement (Electricity/Steam) has been done and standard benchmarks have been established. Awareness among the staff and plant workers has been created to have a constant monitor on usage of energy and to optimize throughput and to avoid wastage and unproductive usage of energy.

Pollution Control : The Company is a member of the Common Effluent Plant of M/s. Progressive Effluent Treatment Limited, Bollaram. As per the orders of Supreme Court, implementation of the pre-treatment of effluent as per the directions of Central Pollution Control Board is already under implementation. The Company has already constructed a Solar Pond for evaporation of the effluent generated during process and other miscellaneous sources. Secondly, the concentrated process effluents are evaporated/distilled in-house and the residual harmless salts are separated, stored and discharged safely over a period of time. This has helped in reducing the output of effluents and also to meet the influent standards of the Common Effluent Plant.

FORM 'A'

Disclosure of particulars with respect to Conservation of Energy
(to the extent applicable)

	1998-99	1997-98
A. POWER & FUEL CONSUMPTION		
1. ELECTRICITY		
a) Purchased		
Units (KWH in lacs)	1.89	2.64
Total amount (Rs. lacs)	8.20	10.88
Rate/Unit(Rs./KWH)	4.33	4.13
b) Own Generation		
Through Diesel Generator Unit (KWH in lacs)	0.54	0.19
Total Amount (Rs.in lacs)	1.49	0.58
Units per liter of Diesel Oil	3.85	3.64
Cost/Unit(Rs./KWH)	2.76	3.05
2. COAL		
Quality 'C' Grade in Steam Boiler		
Quantity (Tonnes)	412	396
Total Cost(Rs.in lacs)	7.75	7.01
Average rate/MT (Rs.)	1880	1770
B. CONSUMPTION PER UNIT OF PRODUCTION:		
Electricity & Diesel (KWH)	3.26	2.48
Coal (M.T.)	5.53	3.82