



**15th ANNUAL REPORT
1999-2000**



Prudential Pharmaceuticals Limited

**BOARD OF DIRECTORS**

Shri.Vinod Baid	-	<i>Chairman</i>
Shri. K. Bangar Reddy	-	<i>Managing Director</i>
Shri. Ratan Singh Chowdhury		
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.

REGISTRARS & SHARE TRANSFER AGENTS

AMI Computers (I) Ltd.
6-3-905, III Floor, "Saboo Towers"
Rajbhavan Road, Somajiguda
Hyderabad - 500 082.

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NOTICE

Notice is hereby given that the Fifteenth Annual General Meeting of the Company will be held at 11.00 A.M. on Saturday the 30th September, 2000 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, 2000 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 Ratan Singh Chowdhury, 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 a Special Resolution: “RESOLVED that pursuant to Section 163 of the Companies Act, 1956 with effect from 1st April, 2000, the Registers and Index of Members of the Company and copies of Annual Returns together with the copies of certificates and documents required to be annexed thereto under Sections 159 and 161 of the Companies Act, 1956 be kept with the Company's Registrars and Transfer agents, viz. AMI Computers (I) Ltd., 6-3-905, III Floor, “Saboo Towers”, Rajbhavan Road, Somajiguda, Hyderabad - 500 082.”

For and on behalf of the Board

Place : Hyderabad
Date : 31st July, 2000

Vinod Baid
Chairman

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. Members are requested to quote their Registered folio numbers in all their Correspondences with the Company's Registrars and Transfer Agents viz, AMI Computers India Ltd., 6-3-905, III Floor, “Saboo Towers”, Rajbhavan Road, Somajiguda, Hyderabad - 500 082, 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 Fifteenth Annual General Meeting.

Item No.4 :

As the Company has appointed M/s.AMI Computers (I) Ltd. as the Registrars and Transfer Agent of the Company, approval of the Members is required to keep the said Registers, Indexes etc. at the office of AMI Computers (I) Ltd. at 6-3-905, III Floor, “Saboo Towers”, Rajbhavan Road, Somajiguda, Hyderabad - 500082, to enable them to carry out their duties efficiently.

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

For and on behalf of the Board

Vinod Baid
Chairman

Place : Hyderabad
Date : 31st July, 2000



DIRECTORS' REPORT

Your Directors have pleasure in presenting the Fifteenth Annual Report and the Audited Accounts for the year ended 31.03.2000.

1. Financial Results (Rupees in Lakhs)

	Year ended 31/03/2000	Period ended 31/03/1999
Profit before Finance Charges and Depreciation	178.37	27.51
Finance Charges	14.72	13.57
Depreciation	17.51	12.41
Provision for Tax	12.69	—
Profit carried to Balance Sheet	133.45	1.53

2. Performance & Prospects : The Company's export performance has improved by 71% during the current year under review compared to the previous accounting period on a pro-rata basis. The demand for 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 improve capacity utilisation substantially during the year under review and also added one new product, a bulk-drug intermediate, which has successfully been stabilized and commercialized. The product has been accepted well in overseas and domestic markets and, at present, the Company has been exporting almost 100% of this product. The product is expected to give further thrust to the growth of the Company in terms of market recognition and as well as improvement in performance.

Your Company is planning to expand its activities by increasing capacity, adding new products the cost of which will be met by internal accruals.

3. Directors : Shri Ratan Singh Chowdhury, retires by rotation and being eligible offers himself for re-appointment.

During the year, Shri H.R. Baid resigned from the Company. Your Directors place on record their appreciation of the services rendered by Shri H.R. Baid during his tenure as Director.

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

5. Year 2000 : Your Company had taken necessary steps to ensure that all its software and process equipments were Y2K compliant hence did not face any problem/loss during the switchover to the new millenium. The cost involved in compliance of the same was not 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, 2000, is enclosed as Annexure to this Report.

For and on behalf of the Board

Vinod Baid
Chairman

Place : Hyderabad
Date : 31st July, 2000

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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)

	1999-2000	1998-99
A. POWER & FUEL CONSUMPTION		
1. ELECTRICITY		
a) Purchased		
Units (KWH in lacs)	7.82	1.89
Total amount (Rs. lacs)	30.79	8.20
Rate/Unit(Rs./KWH)	3.94	4.33
b) Own Generation		
Through Diesel Generator Unit (KWH in lacs)	0.47	0.54
Total Amount (Rs.in lacs)	1.64	2.38
Units per liter of Diesel Oil	3.90	3.85
Cost/Unit(Rs./KWH)	3.51	2.76
2. COAL		
Quality 'C' Grade in Steam Boiler		
Quantity (Tonnes)	645	412
Total Cost(Rs.in lacs)	12.78	7.75
Average rate/T (Rs.)	1981	1880
B. CONSUMPTION PER UNIT OF PRODUCTION:		
Electricity & Diesel (KWH)	3.20	3.26
Coal (M.T.)	4.18	5.53



FORM 'B'

	1999-2000	1998-99
RESEARCH & DEVELOPMENT :		
1. Specific areas in which R & D carried out by the Company	NIL	NIL
2. Benefits derived as a result of the above	NIL	NIL
3. Future Plan of Action	NIL	NIL
4. Expenditure on R & D	NIL	NIL

TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION :

1. Effort, in brief, made towards technology absorption, adaption and innovation	N.A.	N.A.
2. Benefits derived as a result of the above efforts	N.A.	N.A.
3. In case of imported technology (imported during the last 5 years reckoned from the beginning of the financial year), following information may be furnished	N.A.	N.A.

C. FOREIGN EXCHANGE EARNINGS & OUTGO : Details Given in Point No. 7 (ix to xi) in Notes on Accounts.