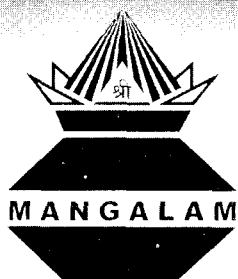


31st Annual Report 2003 - 2004



REPORT JUNCTION



Mangalam Drugs and Organics Ltd.

(An ISO - 9001 & WHO-GMP Company)



BOARD OF DIRECTORS

GOVARDHAN M. DHOOT (*Chairman*)
 ASHOK R. BOOB (*Wholetime Director*)
 KRISHNA R. BOOB (*Wholetime Director*)
 BRIJMOHAN M. DHOOT (*Wholetime Director*)
 SUBHASH C. KHATTAR
 RAMBHAKT R. MALANI

COMPANY SECRETARY

MS. GAURI BALANKHE

REGISTERED OFFICE

292, PRINCESS STREET,
 2ND FLOOR
 MUMBAI 400 002

WORKS

VAPI - UNIT 1

PLOT NO. 187, GIDC
 VAPI, DIST. BULSAR,
 GUJARAT.

VAPI - UNIT 2

PLOT NO. 1203, GIDC
 VAPI, DIST. BULSAR,
 GUJARAT.

SANGAMNER - UNIT 3

SANGAMNER AUDYOGIK,
 VASAHA LIMITED,
 SANGAMNER,
 DIST. AHMEDNAGAR, MAHARASHTRA.

AUDITORS

M/S MILWANI ASSOCIATES
 CHARTERED ACCOUNTANTS
 BAGARIA HOUSE, 1ST FLOOR,
 KOLBHAT LANE,
 MUMBAI - 400 002.

BANKERS

THE UNITED WESTERN BANK LTD.
 STATE BANK OF INDIA
 THE SARASWAT CO-OP BANK LTD.

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Mangalam Drugs & Organics Limited
MANGALAM DRUGS & ORGANICS LIMITED

 Regd. Off.: 292, 2nd Floor, Princess Street, Near Flyover, Marine Lines, Mumbai - 400 002.

NOTICE

NOTICE is hereby given that the **Thirty-first Annual General Meeting** of the members of the Company will be held at the **Registered Office** of the Company at 292, Princess Street, Near Flyover, Marine Lines, Mumbai – 400 002 on **12th July, 2004 at 11.00 a.m.** to transact the following Business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as on 31st March, 2004 and Profit and Loss Account for the year ended as on that date and the reports of Auditors' and Director's thereon.
2. To declare a dividend.
3. To appoint a Director in place of Shri. Govardhan M. Dhoot, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Shri. Ashok R. Boob, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint Auditors of the Company and to fix their remuneration.

SPECIAL BUSINESS

6. To consider and, if thought fit, to pass with or without modification, the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT Shri. Subhash C. Khattar who was appointed as Additional Director by the Board of Directors and who holds office upto the date of Annual General Meeting and in respect of whom a notice in writing pursuant to Section 257 of the Companies Act, 1956 has been received from a member proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company."

7. To consider and, if thought fit, to pass with or without modification, the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT Shri. Rambhakt R. Malani who was appointed as Additional Director by the Board of Directors and who holds office upto the date of Annual General Meeting and in respect of whom a notice in writing pursuant to Section 257 of the Companies Act, 1956 has been received from a member proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company."

8. To consider and, if thought fit, to pass with or without modification, the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to provisions of Sections 198, 269, 309 and all other applicable provisions, if any, read with Schedule XIII of the Companies Act, 1956 and further subject to all such sanctions as may be necessary, the Company hereby approves the reappointment of Shri. Brijmohan M. Dhoot as the Wholetime Director of the Company for a period of five years with effect from 1st June, 2004 on the terms and conditions including remuneration as set out in the draft Agreement to be entered into by the Company with him and submitted to this meeting duly initialled by the Chairman for the purpose of the identification which agreement is specifically sanctioned with liberty to the Board of Directors to alter and vary the terms and conditions of the said agreement so as not to exceed the limits specified in Schedule XIII to the Companies Act, 1956 as may be agreed between the Board of Directors and Shri. Brijmohan M. Dhoot."

9. To consider and, if thought fit, to pass with or without modification, the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to provisions of Sections 198, 269, 309 and all other applicable provisions, if any, read with Schedule XIII of the Companies Act, 1956 and further subject to all such sanctions as may be necessary, the Company hereby approves the reappointment of Shri. Ashok R. Boob as the Wholetime Director of the Company for a period of five years with effect from 1st June, 2004 on the terms and conditions including remuneration as set out in the draft Agreement to be entered into by the Company with him and submitted to this meeting duly initialled by the Chairman for the purpose of the identification which agreement is specifically sanctioned with liberty to the Board of Directors to alter and vary the terms and conditions of the said agreement so as not to exceed the limits specified in Schedule XIII to the Companies Act, 1956 as may be agreed between the Board of Directors and Shri. Ashok R. Boob."



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10. To consider and, if thought fit, to pass with or without modification, the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to provisions of Sections 198, 269, 309 and all other applicable provisions, if any, read with Schedule XIII of the Companies Act, 1956 and further subject to all such sanctions as may be necessary, the Company hereby approves the reappointment of Shri. Krishna R. Boob as the Wholetime Director of the Company for a period of five years with effect from 1st June, 2004 on the terms and conditions including remuneration as set out in the draft Agreement to be entered into by the Company with him and submitted to this meeting duly initialled by the Chairman for the purpose of the identification which agreement is specifically sanctioned with liberty to the Board of Directors to alter and vary the terms and conditions of the said agreement so as not to exceed the limits specified in Schedule XIII to the Companies Act, 1956 as may be agreed between the Board of Directors and Shri.Krishan R. Boob."

11. To consider and, if thought fit, to pass with or without modification the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 94(1)(a) of the Companies Act, 1956 and the other applicable provisions, if any, of the Companies Act, 1956 the Authorised Share Capital of the Company be and is hereby increased from Rs.7,00,00,000/- (Rupees Seven Crores only) to Rs.14,00,00,000/- (Rupees Fourteen Crores only) by creation of 70,00,000 (Seventy Lacs) Equity Shares of Rupees 10/- (Rupees Ten only) each."

12. To consider and, if thought fit, to pass with or without modification the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to Section 16 of the Companies Act, 1956 and any other applicable provisions, if any, of the Companies Act, 1956, in Clause V of Memorandum of Association of the Company the words and figures 'is Rs.7,00,00,000/- (Rupees Seven Crores only) divided into 70,00,000 (Seventy Lacs) Equity Shares of Rs.10/- (Rupees Ten only) each' be and is hereby substituted by the words and figures 'is Rs.14,00,00,000/- (Rupees Fourteen Crores only) divided into 1,40,00,000 (One Crore Forty Lacs) Equity Shares of Rs.10/- (Rupees Ten only) each'."

13. To consider and, if thought fit, to pass with or without modification the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to provisions of Section 31 of the Companies Act, 1956 and any other applicable provisions, if any, of the Companies Act, 1956, in Article 6 of Article of Association of the Company the words and figures 'is Rs.7,00,00,000/- (Rupees Seven Crores only) divided into 70,00,000 (Seventy Lacs) Equity Shares of Rs.10/- (Rupees Ten only) each' be and is hereby substituted by the words and figures 'is Rs.14,00,00,000/- (Rupees Fourteen Crores only) divided into 1,40,00,000 (One Crore Forty Lacs) Equity Shares of Rs.10/- (Rupees Ten only) each'."

14. To consider and, if thought fit, to pass with or without modification the following resolution as a **Special Resolution**:

"RESOLVED THAT in accordance with the provisions of Section 81 and 81(1A) and such other application provisions of the Companies Act, 1956 (including any statutory modification or re-enactment thereof for the time being in force) and in accordance with the relevant provisions of the Memorandum and Article of Association of the Company and subject to the necessary approval with and condition/modification of the Reserve Bank of India and such other approval, permission, consent and/or sanction from any other appropriate bodies as may be necessary and subject to such other conditions as may be prescribed by them while granting such approval, consent, permission and/or sanction and which may be agreed to by the Board of Directors of the Company (hereinafter referred to as "THE BOARD" which term shall be deemed to include any committee thereof for the time being exercising the power conferred on the Board by the members of the Company) the consent and the approval of the Company be and is hereby accorded to the Board to issue/offer/allot 70,00,000 Equity Shares of Rs.10/- each out of the unissued capital of the Company and such Shares be offered, issued or allotted to all the existing shareholders and/or to any of the following categories whether they are existing shareholders of the Company or not viz. Employees of the Company and/or its group Companies, Director of the Company or their relatives, Non-Resident Indians (NRIs), Overseas Corporate Bodies(OCBs), Indian Financial Institutions (IFIs), Foreign Institutional Investors (FIIs), Foreign Citizens or Foreign Company, Mutual funds, Companies, public, other entities and /or to such other persons by Public Issue, Right Issue, Private Placement or Preferential Allotment, or by any one or more combinations of the above methods/modes or otherwise to the exclusion of the other whether shareholders of the Company or not and at such time or times and with or without voting rights in General meetings/Class meetings of the Company and in one or more tranches, as the Board may think fit whether at par or at premium and on such terms and conditions including the face value, amount of premium, number of equity shares and/or Preference shares and such other securities to be allotted, manner of calls etc. as the Board may think fit at the time of issue or allotment."

"RESOLVED FURTHER THAT the Board be and is hereby authorised to issue and allot such number of Equity Shares in accordance with the term of offering and all such Shares shall rank *pari passu* with existing Equity Shares of the Company in all respect except that they will qualify for any dividend that may be declared in respect of the financial year of the Company in which they are allotted, *pro-rata*, the period from the date of the allotment and amount paid-up on such Shares."



Mangalam Drugs & Organics Limited

"RESOLVED FURTHER THAT for the purpose of giving effect to the above issue or allotment of Equity Shares or such other securities, the Board be and they are hereby authorised to do all such act, deeds, matters, and things and execute all such deeds, document, instruments and writing as they may, in their absolute discretion, deem necessary or desirable in connection with or incidental thereto without being required to such any further consent or approval of the Company or otherwise and to settle any question, difficulty/or doubt that may arise in the regard to the offer, issue, allotment and utilisation of the issue proceeds of the Equity Shares to the Company's projects/other corporate needs as they may deem fit."

"RESOLVED FURTHER THAT the Board be and is hereby authorised to delegate all or any of the power herein conferred to the Wholetime Director or any other officer or Officers of the Company to negotiate and discuss with the appropriate authorised for designing the scheme to raise the funds and to take all such acts, deeds, matters and things as may be deemed necessary."

15. To consider and, if thought fit, to pass with or without modification the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to Section 31 and other applicable provisions, if any, of the Companies Act, 1956, that the regulations contained in the draft Articles of Association, a copy which is placed before the meeting duly initialed by the Chairman and circulated among the shareholders, be and are hereby approved and adopted as the Articles of Association of the Company in substitution for and to the exclusion of all the existing Articles thereof."

"RESOLVED FURTHER THAT any of the Director of the Company be and is hereby authorised to do all such acts, deeds, matters and things as may be necessary, required or expedient for giving effect to this resolution."

16. To consider and if thought fit, to pass with or without modification, the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT in supersession of all the earlier resolution passed in the meeting of the Members on 25th February, 2002 and pursuant to the provisions of section 293 (1)(d) of the Companies Act, 1956, and other applicable provisions, if any, of the Companies Act, 1956, the Company hereby accords its consent to the Board of Directors borrowing any sum or sums of money from time to time from any one or more of the Company's bankers and/or from any one or more other persons, firms, bodies corporate, or financial institutions whether by way of cash credit, advance or deposits, loans or bill discounting or otherwise and whether unsecured or secured by mortgage, charge, hypothecation or lien or pledge of the company's assets and properties whether movable or stock in trade (including raw materials, stores, spare parts and components in stock or in transit) and work in progress and all or any of the undertakings of the company not withstanding that the moneys to be borrowed together with monies already borrowed by company (apart from temporary loans obtained from the companies bankers in the ordinary course of business) will or may exceed aggregate of the paid up capital of the company and its free reserves, that is to say, reserves not set apart for any specific purpose but, so however, that the total amount up to which the moneys may be borrowed by the Board of Directors and outstanding at any time shall not exceed the sum of Rs. 50 Crores (Rupees Fifty Crores only) exclusive of interest, and the Directors are hereby further authorised to execute such deeds of debentures and debenture trust deeds or mortgage, charge, hypothecation, lien, promissory notes, deposit receipts and other deeds and instruments or writings as they may think fit and containing such conditions and covenants as the Directors may think fit."

"RESOLVED FURTHER THAT the Company do hereby accord its consent under Section 293 (1)(a) of the Companies Act, 1956, to mortgaging and/ or charging by the Board of Directors of the Company all or any of the movable or immovable properties both present and future or the whole or substantially the whole of the undertaking or the undertakings of the Company for securing any loan obtained or as may be obtained from any financial institution or person or persons together with interest, costs, charges, expenses and any other money payable by the Company."

NOTES

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT APROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. The Explanatory Statement pursuant to Section 173 of the Companies Act, 1956, in respect of the Special Business above is annexed hereto.
3. All documents referred to in the accompanying Notice and Explanatory Statement are available for inspection at the Registered Office of the Company on any working day between 11.00 a.m. to 1.00 p.m. excluding Saturdays upto the date of Annual General Meeting.
4. Members are requested to notify immediately any change in their address to the Company's Secretarial Department at 292, Princess Street, Near Flyover, Marine Lines, Mumbai – 400 002.



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5. The Register of Members and Share Transfer Books of the Company will remain closed from 6th July, 2004 to 12th July, 2004 (both days inclusive).
6. Members/Proxies should bring the admission slip duly filled in for attending the meeting.

BY ORDER OF THE BOARD

(GOVARDHAN M. DHOOT)
CHAIRMAN

Registered Office :

292, Princess Street,
Near Flyover, Marine Lines,
Mumbai – 400 002

Place: Mumbai

Date: 11th June, 2004

ANNEXURE TO NOTICE

Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956

Item Nos. 6 and 7

Shri. Subhash C. Khattar is a Chartered Accountant having about 40 yrs of experience. He is a senior partner in M/s H Gambhir & Co., New Delhi and specialises in taxation and auditing and the Firm is on the statutory panel of Bank Audits and other Public Sector Undertakings (PSUs) and Private Companies.

Shri. Rambhakt R. Malani is holding a Diploma in Commerce and has over 33yrs of experience in Accounts and also Marketing of electrical goods.

Shri. Subhash C. Khattar and Shri. Rambhakt R. Malani were appointed as Additional Directors by the Board of Directors on 4th June, 2004 pursuant to Section 260 of the Companies Act, 1956. They hold office as such upto the date of ensuing Annual General Meeting. The Company has received notices in writing from members proposing their candidature for the office of Director of the Company under section 257 of the Companies Act, 1956. Their appointment would be of immense benefit to the Company.

Your Directors recommend the resolution at Item No. 6 & 7 for your approval.

Except Shri. Subhash C. Khattar and Shri. Rambhakt R. Malani, none of the other Directors is, in any way, concerned or interested in the said resolution.

Item Nos. 8 to 10

At the meeting of the Board of Directors (Board) of the Company held on 4th June, 2004, the Board has duly approved by a resolution passed at its meeting, re-appointment of Shri. Brijmohan M. Dhoot, Shri. Ashok R. Boob and Shri. Krishna R. Boob as Wholetime Directors of the Company for a period of five years upon the terms and conditions contained in the draft Agreement to be entered into by the Company with them subject to the approval of the Company in General Meeting. The said Agreements, inter alia, contain the following material terms and conditions:

1. Period of Agreement(s): From 01/06/2004 to 01/06/2009
2. Remuneration:

(a) SALARY: (per month)			
Particulars	Brijmohan M. Dhoot	Ashok R. Boob	Krishna R. Boob
Salary (per month)	10,000	60,000	60,000



Mangalam Drugs & Organics Limited

(a) PERQUISITIES/ALLOWANCES:

Housing

The Company shall pay the maintenance expenditure of the residence of the Wholetime Directors.

Medical Expenses

Expenses incurred for the Wholetime Directors and their families subject to a ceiling of Rs.10,000/- p.a. or actual whichever is higher.

Leave travel Concession

Company shall provide to and fro airfare to the Wholetime Directors and their families for 3,000 KM in India.

Annual Privilege Leave

On full salary for a period of thirty days and shall be entitled to accumulate such leave. Encashment of leave at the end of the tenure will not be included in the computation of the ceiling on perquisites.

Car

A chauffeur driven car for use of Company's business and telephone at residence.

Sitting Fees

They shall be paid sitting fees for attending the Meetings of the Board of Directors and/or Committee thereof.

Personal Accident Insurance

Premium not to exceed Rs.8,000/- p.a. payable by the Company on behalf of the Wholetime Directors.

The Wholetime Directors shall also be entitled to following perquisites, which shall not be included in the computation of the ceiling on remuneration specified herein:

- (i) Contribution to provident fund, super annuation fund or annuity fund as per the rules of the Company to the extent there either singly or put together are not taxable under the Income Tax Act, 1961.
- (ii) Gratuity payable at rate not exceeding half a month's salary for each completed year of service.
- (iii) Encashment of leave at the end of the tenure.

2. The other terms and conditions of the agreement are such as are customarily contained in agreements of similar nature.
3. They shall while they continue in office, be subject to retirement by rotation under Articles of Association of the Company. Further the Wholetime Director who, is re-appointed as a Director immediately on retirement by rotation, shall continue to hold his office of Wholetime Director and such re-appointment as such Director shall not be deemed to constitute a break in his appointment as Wholetime Director.
4. Notwithstanding anything contained hereinabove where in any financial year, during the currency of tenure of the Wholetime Directors, the Company has no profits or its profits are inadequate, the Company shall pay the Wholetime Directors minimum remuneration by way of salary, perquisite, dearness allowance and any other allowance subject to the ceiling laid down in Section II of Part II of Schedule XIII to the Companies Act, 1956
5. The aforesaid agreement(s) to be entered into by the Company with respective Wholetime Director(s) can be terminated either by the Company or by him, by giving to the other three months notice in writing.

The said agreements including the remuneration payable to Wholetime Directors of the Company shall be subject to the approval of the Company and all such sanctions as may be necessary and shall be given effect to as per the modifications, if any, made/approved as aforesaid.

The said agreement(s) are available for inspection at the Registered Office of the Company on any working day between 11.00 a.m. to 1.00 p.m. on all days excluding Saturdays, Sundays and Public Holidays upto the date of Annual General Meeting.

The above may also be treated as an abstract of the said agreement(s) pursuant to Section 302 of the Companies Act, 1956.



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Your Directors recommend the said resolutions at item Nos. 8 to 10 for your approval.

Shri. Brijmohan M. Dhoot, Shri. Ashok R. Boob and Shri. Krishna R. Boob, are interested in the resolution pertaining to their own agreement and reappointment.

Shri. Govardhan M. Dhoot is deemed to be concerned or interested in the resolution at Item No. 8 of the Notice as he is related to Shri. Brijmohan M. Dhoot.

Shri. Krishna R. Boob is deemed to be concerned or interested in the resolution at Item No. 9 of the Notice as he is related to Shri. Ashok R. Boob.

Shri. Ashok R. Boob is deemed to be concerned or interested in the resolution at Item No. 10 of the Notice as he is related to Shri. Krishna R. Boob.

None of the other Directors is, in any way, concerned or interested in the said resolutions.

Item No. 11

The present authorised share capital of the Company is Rs.7,00,00,000/- (Rupees Seven Crores only) divided into 70,00,000 (Seventy Lacs) equity shares of Rs.10/- (Rupees Ten only) each and present paid up capital of the Company is Rs.6,67,80,000/- divided into 66,78,000 Equity Shares of Rs.10/- each.

The Company proposes to issue further Shares and hence it is required to increase the Authorised Share Capital.

Hence your Directors proposes to increase the Authorised Share Capital from Rs.7 Crores to Rs.14 Crores by creation of 70,00,000 Equity Shares of Rs.10/- each in the Company. The proposed increase of the Authorised Capital requires the approval of members in the General Meeting.

Your Directors recommend the said resolutions at item No. 11 for your approval.

None of the Directors is interested in the resolution.

Item No. 12 & 13

Subsequent to the increase and alteration in the Authorised Share Capital, the necessary alterations have to be made in Clause V and Article 6 of Memorandum of Association and Article of Association respectively. Section 16 and Section 31 of the Companies Act, 1956 require members consent for the said alterations in the Memorandum and Articles of Association.

Copies of the Memorandum of Association of the Company are available for inspection during business hours on all working days at the Registered Office of the Company.

Your Directors recommend the said resolutions at item Nos. 12 & 13 for your approval.

None of the Directors is interested in the resolution.

Item No. 14

Your company has proposed an expansion of its manufacturing facilities at Vapi. In view of it is proposed to raise capital by way of issue of equity shares of Rs.10/- each with or without premium.

Your Directors recommend the said resolutions at item No. 14 for your approval.

None of the Directors is interested in the resolution.

Item No. 15

The Company is proposing to replace the entire existing Articles of Association of the Company with the new Articles of Association.

In terms of the requirements of Section 31 of the Companies Act, 1956, any alteration to the Articles of Association requires approval of shareholders by passing a special resolution.

**Mangalam Drugs & Organics Limited**

A copy of the Memorandum and Articles of Association of the Company showing the proposed changes are open for inspection at the Registered Office of the Company on all working days (except Saturdays, Sundays and holidays) between 10 a.m. and 12 noon up to the date of the general meeting.

Your Directors recommend the said resolutions at item No. 15 for your approval.

None of the Directors of the Company is concerned or interested in the resolution.

Item No. 16

Under section 293 (1)(d) of the Companies Act, 1956, the Board of Directors cannot, except with the consent of the Company in general meeting, borrow moneys apart from temporary loans obtained from the Company's bankers in the ordinary course of business in excess of the aggregate of the paid up capital and free reserves, that is to say, reserves not set apart for any specific purpose.

The Company sometimes may borrow money from person and bodies corporate, which are not temporary loans obtained in the ordinary course of business. It is deemed desirable, as a matter of abundant caution also, to provide a sufficient margin for such loans to be covered by the borrowing powers of the Board.

In the meeting of the members held on 25th February 2002 the resolution was passed authorising the Board to borrow upto maximum of Rs 20 Crores. However considering the future requirement of the Company, it may need to borrow exceeding the above limit and hence this resolution is proposed to enable the Company to borrow as and when necessary. In the circumstances, sanction of the shareholders is being taken to enable the Directors to borrow money to the extent of Rs.50 Crores.

Your Directors recommend the said resolutions at item No. 16 for your approval.

None of the Directors is interested in the resolution.

FOR AND ON BEHALF OF THE BOARD

PLACE: MUMBAI
DATED: 11TH JUNE, 2004

(GOVARDHAN M. DHOOT)
CHAIRMAN



DIRECTORS REPORT

To,
The Members of
Mangalam Drugs & Organics Limited

The Directors have pleasure in presenting to you their Thirty-first Annual Report and Audited Accounts for the accounting year ended 31st March, 2004.

1. FINANCIAL RESULTS

	(Rupees in Lacs)	
	2003-2004	2002-2003
Sales	8036.30	7698.23
Other Income	39.03	38.67
Profit before Depreciation & Interest	541.56	507.77
Less: Depreciation	93.79	92.92
Interest	192.42	224.45
Profit before tax	255.35	190.4
Prior year adjustments made	4.63	—
Provision for current taxation	49.00	52.00
Profit after tax	210.98	138.40
Provision for Deferred Taxation	19.92	2.81
Profit after Deferred Tax	191.06	135.59
Add : Balance in profit and loss a/c of previous year	37.82	8.51
Surplus available for Appropriation	228.88	144.10
Appropriations :		
Transfer to General Reserve	200.00	100.00
Proposed Dividend	6.68	5.57
Tax on Dividend	0.86	0.71
Balance carried to Balance Sheet	21.35	37.82

2. DIVIDEND

Your Directors are pleased to recommend a dividend of Re.1/- per share on the enhanced capital (Previous Year: Rs.2.50/-) for the year ended 31st March, 2004. The proposed dividend, if approved at the Annual General Meeting, will result in pay out of Rs.6.68 Lacs.

3. DOMESTIC

The total income has grown from Rs.7736.87 lacs to Rs.8075.33. The Company has achieved the set targets.

4. EXPORTS

The Company has achieved the targeted exports of Rs.1003.14 lacs. Constant efforts are being made to boost exports.

5. FUTURE OUTLOOK

The Company has completed a part of its ongoing expansion. Our bulk drug production capacity has been increased from 350 MTPA to 600 MTPA. (the actual capacity utilization will vary according to the product mix.) Our total expansion is expected to be complete in the last quarter of the year 2004 and will not only result in increased capacity of our existing bulk drugs but also capacities to manufacture the following products: