

28th ANNUAL REPORT AND ACCOUNTS

2003-2004

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**PUNJAB CHEMICALS
AND
PHARMACEUTICALS LIMITED**



QUALITY POLICY

We are committed to produce quality products as per customer's requirements & expectations at competitive price with a sincere concern towards environment and employee's welfare. We are also committed for continual improvement on the quality of all the products by setting and reviewing the quality objectives.

उद्यमेन हि सिध्यन्ति
कार्याणि न मनोरथैः



20.7.1932-18.12.1997

S D SHROFF

(Known to all as 'Sasubhai')

He dared.

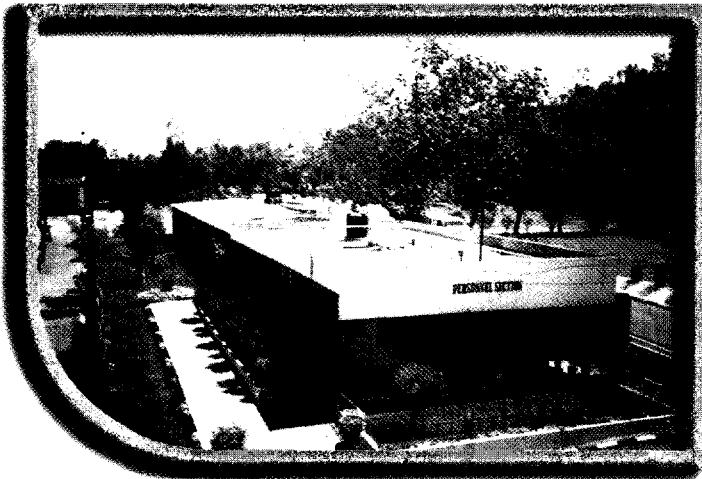
He cared.

He shared.

His vision to grow the company remains.....

Eco-friendly Environment

View of eco-friendly environment in the factory.



Participation in Exhibitions

The Company endeavours to reach the customers by participating in National and International Exhibitions. The regular participating in the exhibition have helped the Company to accelerate its growth in the export market.



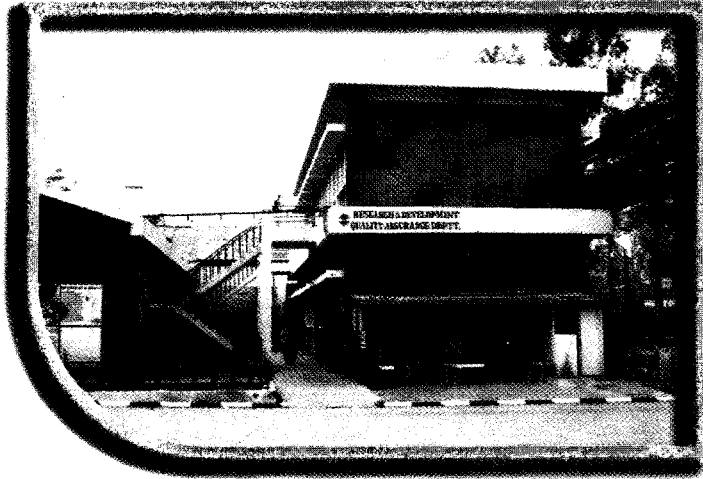
Shri Shalil Shroff, Managing Director is seen welcoming the dignitaries to the Company's stall in one of the Exhibition.



Shri Veersingh Rajebhosale, Sr. GM (Exports) is seen discussing the point with the visitors at the stall in one of the international exhibition.

Backbone

The Company recognizes the vital role played by R&D in the overall operations and the future progress. Necessary addition in the infrastructure and trained staff is made as per the requirement.



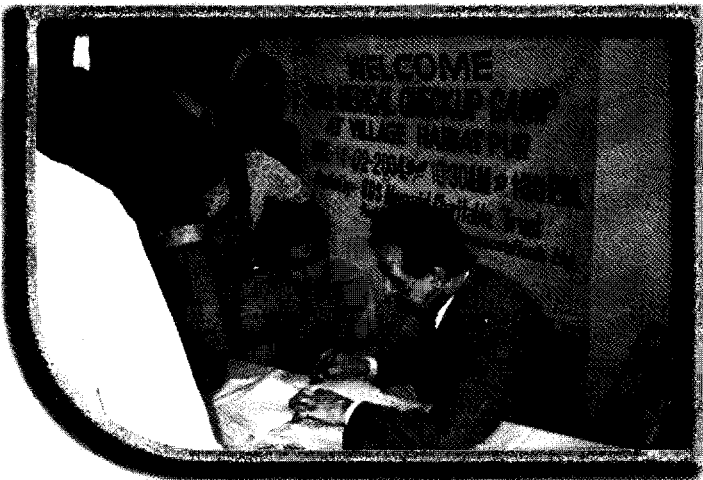
Blood Donation Camp

In memory of Late Sasubhai, the beloved leader and guide, the employees of the Company donate blood every year on his death anniversary.



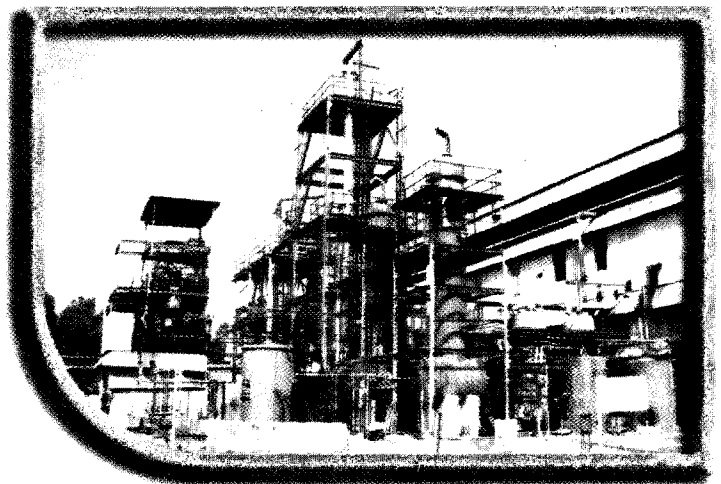
Community Service

Free medical check up to serve the inhabitants of nearby villages.



ADIL - a proud addition in PCPL family

During the year, a Company has taken over Alpha Drug India Limited (ADIL) by acquiring majority shareholding in the Company. The sincere and vigorous efforts are being taken to rehabilitate the Company and making it a successful and exemplary venture in the State of Punjab. The success of ADIL will be an example of dedication, hard work and focussed attention of PCPL team.



**BOARD OF DIRECTORS**

G. Narayana, Chairman
 A.G. Shroff
 Vijay Rai
 Gurcharan Singh
 Mukesh D Patel
 Jagdish R Naik
 Shri N. Gopinath
 Shalil Shroff, Managing Director
 Avtar Singh, Director (Operations & Business Development)

MANAGEMENT TEAM

Shalil Shroff, Managing Director
 Avtar Singh, Director (Operations & Business Development)
 Punit K Abrol, V.P. (Finance) & Secretary
 Veersingh Rajebhosale, Sr. General Manager (Exports)
 Jain Parkash, General Manager (Works)
 Surinder Paul, Asstt. General Manager (Project)
 Ravinder Chadha, Asstt. General Manager (Personnel)
 Dalip Asher, Dy. General Manager (Commercial)

**VICE PRESIDENT
(FINANCE) & SECRETARY**

Punit K Abrol

AUDITORS

J.R. Khanna & Co., Chandigarh

BANKERS

Bank of Baroda
 UTI Bank Ltd.

REGISTERED OFFICE

SCO 417-418, Sector - 35-C
 Chandigarh - 160 022
 Ph.: 0172-2600955, 2603120, 2604127
 Fax : 0172-2603621
 E-mail : pcpl_chd@satyam.net.in

WORKS

Milestone 18, Ambala-Kalka Road
 Bhankharpur (Derabassi)
 Distt. Patiala (Punjab)
 Ph. : 01762-280094, 282653 Fax : 01762-280070
 E-mail : pcplfac@satyam.net.in

OTHER OFFICES

Plot No. : 645-646, 4th/5th Floor
 Oberoi Chambers II
 New Link Road, Andheri (W)
 Mumbai - 400 053
 Tel. : 022-28723865, 28723866
 Fax : 022-28725119, 28735743
 E-mail : stschem@bom3.vsnl.net.in

1012, Ansal Bhawan
 K.G. Marg, New Delhi-110 001
 Ph.: 011-23314867, 23312406
 Fax : 011-23314890
 E-mail : pcpldel@satyam.net.in
 E-mail : pcphyd@hd2.vsnl.net.in

414, Navketan Complex
 Opp. Clock Tower
 52, S.D. Road, Secunderabad
 Tel. : 040-7800292, 7805662
 Fax : 040-7806943

PUNJAB CHEMICALS AND PHARMACEUTICALS LIMITED

FINANCIAL HIGHLIGHTS

(Rs. in lacs)

	2003-04	2002-03	2001-02	2000-01	1999-00	1998-99	1997-98	1996-97	1995-96	1994-95
	(Audited)	(Audited)	(Audited)	(Audited)	(Audited)	(Audited)	(Audited)	(Audited)	(Audited)	(Audited)
I. CAPITAL ACCOUNTS										
A. Share Capital	215.57	215.57	215.57	215.57	215.57	215.57	215.57	215.57	215.57	215.57
B. Reserves & Surplus	2238.25	1839.82	1626.78	2217.89	2186.98	2128.72	1536.96	1043.38	967.58	1048.16
C. Shareholders Funds	2453.82	2055.39	1842.35	2433.45	2402.55	2344.29	1752.53	1258.95	1183.15	1263.73
D. Borrowings	3788.29	2538.21	2483.30	2782.07	2947.24	2064.78	1292.46	765.27	878.27	821.60
E. Deferred Tax Liability	507.81	469.02	328.27							
F. Capital Employed	6749.92	5062.62	4653.92	5215.52	5349.79	4409.07	3044.99	2024.22	2061.42	2085.33
G. Gross Block (including CWIP)	4839.27	4332.48	3960.05	4102.07	3827.02	3594.95	3135.47	2515.45	2517.60	2510.59
H. Net Block (including CWIP)	2557.87	2208.79	2007.06	2331.00	2241.13	2199.10	1898.34	1398.26	1474.58	1542.32
I. Investments	496.40	374.23	374.23	374.23	375.23	375.53	367.53	10.60	2.10	2.10
J. Net Current Assets	3427.16	2365.99	2229.30	2510.29	2733.42	1834.44	778.72	614.55	583.52	539.29
K. Other Non-Current Assets	268.49	113.61	43.33				0.40	0.81		
L. Debt-Equity Ratio	1.54:1	1.23:1	1.35:1	1.41:1	1.22:1	0.88:1	0.74:1	0.61:1	0.74:1	0.65:1
II. REVENUE ACCOUNTS										
A. Gross Revenue	12606.43	10623.97	6935.56	7656.23	7066.02	8729.31	6693.53	3925.46	3373.92	3158.54
B. Profit / (Loss) Before Taxes	725.90	449.03	(272.68)	67.12	109.34	761.49	669.33	127.42	(66.83)	89.21
% of Gross Revenue	5.76	4.23	(3.93)	0.88	1.55	8.72	10.00	3.25	(1.98)	2.82
C. Profit / (Loss) after Taxes	521.11	281.78	(194.75)	59.62	97.84	711.40	576.57	107.42	(66.83)	89.21
% of Gross Revenue	4.13	2.65	(2.81)	0.78	1.38	8.15	8.61	2.74	(1.98)	2.82
D. Return on Shareholder's funds %	21.24	13.71	(10.57)	2.45	4.07	30.35	32.90	8.53	(5.65)	7.06
III. SHAREHOLDER'S EARNINGS										
A. Earning per Share	24.12	12.70	(8.56)	2.77	4.54	33.00	26.75	4.98	(3.10)	4.14
B. Dividend per Share (Rs.)	5.00	2.50	0.00	1.25	1.50	5.00	3.50	1.50	0.50	1.50
C. Dividend	107.78	53.89	0.00	26.95	32.33	107.78	75.45	32.33	10.78	32.33
D. Net Worth per Share (RS)	101.37	90.08	83.45	112.88	111.45	108.75	81.28	58.36	54.88	58.62





PUNJAB CHEMICALS AND PHARMACEUTICALS LIMITED

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Annual General Meeting on 18.08.2004 at 9.30 a.m. at SCO 417-418, Sector 35-C, Chandigarh 160 022

A REQUEST

We are sure you will read with interest the Annual Report for the year 2003-04. You may desire to have some clarification or additional information at the ensuing Annual General Meeting. We shall very much appreciate, if you will kindly write to us at least ten days in advance in order to enable us to keep the information ready for you at the Meeting. We solicit your kind co-operation.

SHAREHOLDER INFORMATION

Share Transfer System

Share transfer would be registered and returned within a period of 30 days from the date of receipt, if the documents are in order in all respects

Assistance

For assistance regarding share transfer and transmission, change of address, duplicate/missing share certificate and other matters, please write to Regd. Office or Mumbai Office the Company

Annual General Meeting

Wednesday, 18th August, 2004, at 9.30 A.M.
at the Registered Office of the Company

Book Closure Dates

10th August, 2004 to 18th August, 2004

Registrar and Share transfer Agent

Alankit Assignment Ltd.
RTA Division
2E/8 Anarkali Market
Jhandewalan Extension
New Delhi - 1100 55

Shares of the Company are listed on Ludhiana, Mumbai and Delhi Stock Exchange and the listing fees has been paid

The trading in the equity shares of the Company is compulsorily in dematerialised form since 28th August, 2000. Therefore, the same should be got dematerialised, if not done so far.

Website : www.pcplsts.com



PUNJAB CHEMICALS AND PHARMACEUTICALS LIMITED

Regd. Office : SCO : 417-418, (1st and 2nd Floor), Sector 35-C, Chandigarh - 160 022

NOTICE

Notice is hereby given that the 28th Annual General Meeting of the members of Punjab Chemicals and Pharmaceuticals Limited will be held on Wednesday, the 18th August, 2004 at 9.30 A.M. at the Registered Office of the Company at SCO 417-418, Sector-35C, Chandigarh-160 022 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Profit and Loss Account for the financial year ended 31st March, 2004, the Balance Sheet as at that date, together with the Directors' Report and the Auditor's Report thereon.
2. To declare a dividend.
3. To appoint a Director in place of **Shri J.R. Nalk**, who retires by rotation and, being eligible, offers himself, for re-appointment.
4. To appoint a Director in place of **Shri Vijay Rai**, who retires by rotation and, being eligible, offers himself, for re-appointment.
5. To appoint Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to authorise the Board of Directors to fix their remuneration.

SPECIAL BUSINESS :

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

"RESOLVED THAT in furtherance to the resolution passed by the members at the annual general meeting held on 8th September, 2003 and pursuant to the provisions of Sections 198, 269, 309, 310 and 311 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 and pursuant to a resolution passed by the Remuneration Committee of Directors of the Company and subject to such other approvals as may be necessary, consent of the Company be and it is hereby accorded to the increase in remuneration of **Shri Shaili Shroff**, Managing Director, for the rest of his tenure i.e. from 1st April, 2004 to 14th January, 2006 as set out in the explanatory statement annexed to the notice of this meeting.

RESOLVED FURTHER THAT the revised remuneration payable to **Shri Shaili Shroff** as aforesaid shall be payable as minimum remuneration in case of absence or inadequacy of profit in any financial year, but subject to the ceiling laid down in this behalf in the said Schedule XIII."

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

"RESOLVED THAT in furtherance to the resolution passed by the members at the annual general meeting held on 30th July, 2002 and pursuant to the provisions of Sections 198, 269, 309, 310 and 311 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 and pursuant to a resolution passed by the Remuneration Committee of Directors of the Company and subject to such other approvals as may be necessary, consent of the Company be and it is hereby accorded to the increase in remuneration of **Shri Avtar Singh**, Director (Operations & Business Development), for the rest of his tenure i.e. from 1st April, 2004 to 13th November, 2006 as set out in the explanatory statement annexed to the notice of this meeting.

RESOLVED FURTHER THAT the revised remuneration payable to **Shri Avtar Singh** as aforesaid shall be payable as minimum remuneration in case of absence or inadequacy of profit in any financial year, but subject to the ceiling laid down in this behalf in the said Schedule XIII."

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

"RESOLVED

- (a) THAT pursuant to Article 194 of the Articles of Association of the Company and subject to all the applicable provisions of the Companies Act, 1956 and subject to the guidelines/regulations issued by the Securities and Exchange Board of India (SEBI) and/or any other appropriate authorities in this behalf and subject to such approvals, consents, permissions and sanctions from appropriate authorities or bodies, as may be necessary or requisite, a sum of Rs. 2,15,56,620 (Rupees Two Crores Fifteen Lacs Fifty Six Thousand Six Hundred Twenty only) be capitalized out of the amount standing to the credit of the Share Premium Account and/or free reserves of the Company and the Board of Directors (hereinafter referred to as "the Board") of the Company be and is hereby authorized to appropriate the said sum of Rs. 2,15,56,620 as equity share capital to be issued amongst all the members of the Company, whose names shall appear as the beneficial owner(s) of the equity shares of the Company in the records of the Depositories for members holding shares in a demat form and to the members who are holding shares in a physical form at the close of business hours on such date (hereinafter referred to as "the Record Date") as the Board may determine and to apply the said sum in allotting fully paid up 21,55,662 Bonus Equity Shares of Rs. 10/- each, in the proportion of 1 (one) new equity share for every 1 (one) existing equity share held by them respectively on the Record Date, and that the said new Bonus Equity Shares so issued shall be treated for all purposes as an increase in the amount of share capital of the Company held by each such member and not as an income in lieu of Dividend;
- (b) THAT the new Equity Shares be allotted subject to the Memorandum and Articles of Association of the Company;
- (c) THAT the new Equity Shares shall rank pari passu in all respects, with the existing Equity Shares of the Company except that the new Equity Shares shall be entitled to the Dividend declared by the Company after the date of allotment thereof.