

14th ANNUAL REPORT

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CS	<input checked="" type="checkbox"/>		DPY	<input checked="" type="checkbox"/>
RD	<input checked="" type="checkbox"/>		DIV	<input checked="" type="checkbox"/>
TRA	<input checked="" type="checkbox"/>		AC	<input checked="" type="checkbox"/>
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YE	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		



**PARENTERAL DRUGS
(INDIA) LIMITED**



PARENTERAL DRUGS (INDIA) LIMITED

P D P L



MD			BKC	
CS			DPY	
RO			DIV	
TRA			AC	✓
AGM	✓		SHH	✓
YE	✓			

BOARD OF DIRECTORS

Manoharlal Gupta
Vinod Kumar Gupta
Govind Das Garg

Chairman Cum Managing Director
Managing Director
Whole time Director

**REGISTERED OFFICE
& WORKS**

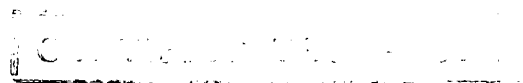
Village Asrawad,
P.O. Dudhia,
Nemawar Road,
INDORE

AUDITORS

M/s T.N. Unni & Co.
Chartered Accountants,
402, Alankar Point,
Geeta Bhawan Square
INDORE – 452 001 (M.P.)

BANKERS

State Bank of India
Industrial Finance Branch,
Apollo Towers,
2, M.G. Road,
INDORE



For



PARENTERAL DRUGS (INDIA) LIMITED



NOTICE

Notice is hereby given that the 14th Annual General Meeting of the Company will be held on Monday, the 30th November, 1998 at 10.00 A.M. at the Registered Office of the Company at Village Asrawad, Nemaver Road, Indore, to transact the following business:-

ORDINARY BUSINESS :

1. To receive, consider and adopt the Directors' Report, Auditors' Report and Audited Profit and Loss Account for the year ended on 31st May, 1998 and the Balance Sheet as at that date.
2. To appoint a Director in place of Shri G.D.Garg who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint Statutory Auditors and fix their remuneration. The retiring Auditors M/s. T.N.Unni & Co., Chartered Accountants, Indore are eligible for re-appointment.

SPECIAL BUSINESS :

ITEM NO.4 CREATION OF MORTGAGE

To consider and if thought fit, to pass, with or without modification, the following resolution as an **ORDINARY RESOLUTION** :

"RESOLVED THAT in addition to all the resolutions passed by the Members of the Company pursuant to provisions of Section 293 (1) (a) and other applicable provisions of the Companies Act, 1956 the approval of the Members of the Company be and is hereby granted to the Board of Directors to create such mortgages and charges in addition to the existing mortgages, charges and hypothecation, created by the Company, as the Board may decide, on the assets of the Company, whether movable or immovable, both present and future in favour of State Bank of India, Industrial Finance Branch, Indore, to secure working capital facility granted/to be granted by them to the Company upto Rs.1677 lacs and in favour of Dena Bank, Navlakha Branch, Indore for their term loan facilities to the Company of Rs. 1200 Lacs and Rs.275 Lacs together with interest due thereon and payable by the Company to them in terms of the loan agreement entered/to be entered into between the Company and the lending Bank and Institution ;

RESOLVED FURTHER THAT all the steps taken, documents executed and charges created by the Board of Directors of the Company in respect of the above financial facilities in favour of State Bank of India and Dena Bank be and are hereby ratified and confirmed."

ITEM NO. 5 RE-APPOINTMENT OF MANAGING DIRECTOR

To consider and if thought fit, to pass, with or without modification, the following resolution as an **ORDINARY RESOLUTION**:

"RESOLVED THAT in terms of provisions of Section 269, 198, 309, read with provisions of Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, approval of the Members of the Company be and is hereby granted for the re-appointment of Shri Manoharlal Gupta as Chairman cum Managing Director of the Company for a further period of five years with effect from 1st January, 1999, on a monthly remuneration of Rs.20,000/- per month."

PARENTERAL DRUGS (INDIA) LIMITED**ITEM NO.6. RE-APPOINTMENT OF JT. MANAGING DIRECTOR**

To consider and if thought fit, to pass, with or without modification, the following resolution as an **ORDINARY RESOLUTION** :

"RESOLVED THAT in terms of provisions of Section 269, 198, 309, read with provisions of Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, approval of the Members of the Company be and is hereby granted for the re-appointment of Shri Vinod Kumar Gupta as Joint Managing Director of the Company for a further period of five years with effect from 1st January, 1999 on a monthly remuneration of Rs.20,000/- per month."

ITEM NO.7 RE-APPOINTMENT OF WHOLE-TIME DIRECTOR

To consider and if thought fit, to pass, with or without modification, the following resolution as an **ORDINARY RESOLUTION**:

"RESOLVED THAT in terms of provisions of Section 269, 198, 309, read with provisions of Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, approval of the Members of the Company be and is hereby granted for the re-appointment of Shri G.D.Garg as Whole-Time Director of the Company for a further period of five years with effect from 1st January, 1999 on a monthly remuneration of Rs.20,000/- per month."

ITEM NO. 8 DE-LISTING OF SHARES

To consider and if thought fit, to pass, with or without modification, the following resolution as a **SPECIAL RESOLUTION** :

"RESOLVED THAT approval of the Members of the Company be and is hereby granted for voluntary delisting of shares of the Company from Madras and Ahmedabad Stock Exchanges ;RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to take all necessary actions for the voluntary de-listing of shares of the Company from the above stock exchanges in terms of SEBI Press Release PR 65/98 Dated 27.03.98 and other applicable provisions if any, in this regard.

ITEM NO. 9. ALTERATION OF ARTICLES OF ASSOCIATION

To consider and if thought fit, to pass, with or without modification, the following resolution as a **SPECIAL RESOLUTION** :

"RESOLVED THAT in terms of provisions of Section 31 of the Companies Act, 1956 approval of the Members of the Company be and is hereby granted for alteration of the Articles of Association of the Company in the following manner :-

For the present Clause 5(i) of the Articles of Association of the Company the following Clause 5 (i) be substituted :-

"5 (i)The Company shall have power to purchase it's own shares or securities, when it is thought fit by the Board of Directors of the Company, in accordance with the provisions of Section 77A and 77B of the Companies Act, 1956 read with the SEBI (Buy Back) Regulations, 1998 as amended from time to time. "

BY ORDER OF THE BOARD,

INDORE.

Dated : 28th October, 1998

**VINOD KUMAR GUPTA
MANAGING DIRECTOR**

PARENTERAL DRUGS (INDIA) LIMITED**NOTES :**

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ALSO ENTITLED TO APPOINT A PROXY, TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. A PROXY IN ORDER TO BE VALID MUST BE DEPOSITED WITH THE COMPANY AT LEAST 48 HOURS BEFORE THE TIME FOR THE MEETING.
2. The Register of Members and share transfer books of the Company will remain closed from Saturday the 5th December, 1998 to Friday the 11th December, 1998 (both days inclusive).
3. Shareholders desiring any information as regards the Accounts are requested to write to the Company at an early date so as to enable the Company to reply the queries suitably.
4. The explanatory statements setting out the material facts in respect of the business under item No.4 and 9 in terms of Provisions of Section 173 of the Companies Act, 1956 are annexed hereto.

EXPLANATORY STATEMENT

In Terms of Provisions of Section 173 of the Companies Act, 1956 the following Explanatory Statement set out all material facts relating to the Special Business mentioned under item No.4 and 9 of the Notice.

ITEM No.4

The Bankers to the Company, State Bank of India, Industrial Finance Branch, Indore and Dena Bank, Navlakha Branch, Indore (hereinafter called "The Institutions") have sanctioned various credit facilities as described in the resolution, to the Company which are secured by way of charge over the properties of the Company.

In terms of Provisions of Section 293(1) (a) of the Companies Act, 1956, the approval of the members of the Company is being sought to ratify the creation of mortgages and charges in favour of the Institutions in addition to the existing mortgages, charges and hypothecation created by the Company, as the Board may decide, on the assets of the Company, whether movable or immovable, both present and future in favour of The Institutions to secure various credit facilities granted/to be granted by them to the Company aggregating to Rs.3152 lacs together with interest thereon at the respective agreed rates payable by the Company to the Institutions in terms of Agreement entered/ to be entered into by the Company with them.

The Directors of the Company recommend passing of the Ordinary Resolution.

None of the Directors of the Company is interested in the Resolution.

ITEM NO.5,6 AND 7

Shri Manoharlal Gupta, Shri Vinod Kumar Gupta and Shri G.D. Garg were appointed as Managing Director; Jt. Managing Director and Whole-time Director of the Company respectively by the Members. Shri Manoharlal Gupta is retiring from the Managing Directorship of the Company on 2nd January, 1999 while Shri Vinod Kumar Gupta and Shri G.D. Garg are retiring on 1st January, 1999 from their respective offices.

The Board of Directors of the Company at their meeting held on 2nd November, 1998 have resolved to re-appoint them at their respective posts mentioned in the resolutions under Item No.5,6 and 7 under Special business of the notice for a further period of five years.

PARENTERAL DRUGS (INDIA) LIMITED

In terms of provisions of Section 198, 269 and 309, read with the provisions of Schedule XIII to the Companies Act, 1956 approval of the Members of the Company is sought for the re-appointment of Shri Manoharlal Gupta, Shri Vinod Kumar Gupta and Shri G.D. Garg as Managing Director, Jt. Managing Director and Whole-time Director of the Company respectively for a further period of five years w.e.f. 1st January, 1999.

In view of the progress made by the Company under the leadership of the present managerial personnels the Board recommends their re-appointment.

Shri Manoharlal Gupta, Shri Vinod Kumar Gupta and Shri G.D. Garg are related to each other and may be deemed interested in the aforesaid resolutions for themselves and for the other two Directors.

ITEM NO.8

At present the shares of the Company are listed on Ahmedabad, Mumbai, Madras and Madhya Pradesh Stock Exchanges. Due to non-trading at Ahmedabad, and Madras Stock Exchanges and as a cost saving measure the Company proposes to de-list the shares voluntarily from Ahmedabad and Madras Stock Exchanges in terms of SEBI Press Release No.PR 65/98 Dated 27.03.98 and other applicable provisions, if any, in this regard.

In terms of the said press release a Special resolution is required to be passed by the Members for the proposed de-listing from the above mentioned stock exchanges.

The Directors recommend passing of the resolution as a special Resolution.

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

ITEM NO.9

The Companies (Amendment) Ordinance is effective from Dt.31st October, 1998 and in accordance with the provisions of the said ordinance the Companies are allowed to buy back their own shares subject to the conditions that the Articles of Association of the Company permits it to buy-back it's own shares.

In line with the aforesaid amendment it is proposed to alter the present Clause 5(I) of the Articles of Association of the Company to enable it to buy-back it's own shares in accordance with the provisions of the amended Companies Act, 1956 and the provisions of the SEBI regulations to be announced shortly.

Although, at present the Company does not have any proposal to buy-back it's shares, however, the Board of Directors of the Company are of the view that the Articles of Association of the Company must be altered in line with the provisions of the amended Companies Act, 1956. Hence this resolution.

The Directors recommend passing of the resolution. None of the Directors of the Company is interested in the resolution.

BY ORDER OF THE BOARD,

INDORE.

Dated : 28th October, 1998

**VINOD KUMAR GUPTA
MANAGING DIRECTOR**

PARENTERAL DRUGS (INDIA) LIMITED**DIRECTORS' REPORT**

The Directors hereby present their Fourteenth Annual Report on the state of affairs of the Company and the Financial Accounts for the Financial Period 1996-98 ended on 31st May, 1998 and the Auditors' Report thereon.

The financial year 1996-97 closing on 30th November, 1997 was extended upto 31st May, 1998 by the Board of Directors of the Company with the approval of the Registrar of Companies, Madhya Pradesh, vide approval letter No.2315/EXTN./210/116 Dt.17.04.98 thus the financial year, 1996-97 is for a period of 18 months and is referred to as financial year, 1996-98 in the Annual Report.

FINANCIAL RESULTS :

	CURRENT YEAR 1996-98 (18 Months)	PREVIOUS YEAR 1995-96 (12 Months)
Profit before interest and Depreciation	853.41	381.76
DEDUCTIONS		
Interest	579.03	172.29
Depreciation	177.21	117.50
Deferred revenue and public issue Expenses Written off	24.60	11.39
Net Profit for the Year	72.57	80.57
Add :-		
Depreciation excess provided written back	70.95	--
Balance Brought forward from previous year	453.12	372.55
PPROPRIATIONS		
Previous Years' Adjustment	--	--
Income Tax for earlier Years	--	--
Proposed Dividend	--	--
Transfer to General Reserve	182.86	--
Balance carried to Balance Sheet	413.78	453.12

PERFORMANCE HIGHLIGHTS

During the period under review the Company recorded a turnover of Rs.6423.35 lacs as against the previous year turnover of Rs.2449.43 lacs and against the previous year's operating profit of Rs.91.96 lacs the Company has recorded operating profit of Rs.97.18 lacs for the period under review.

PARENTERAL DRUGS (INDIA) LIMITED**FUTURE PROSPECTS**

The Company has been able to capture a good share of market in the I.V.Fluids segment as well as the injections and branded segment of tablets and capsules. Looking into the demand and supply position of the Company's products, the Company is contemplating substantial expansion of its existing capacities as well as to enter into the injectables and oral suspensions segment in the coming months for which the spade work has already been completed. The Company is also contemplating to set up manufacturing units in the South and Eastern Zones to cater to the market elements of these Zones. The overall future looks to be promising and the Company intends to keep up its growth momentum in the coming years.

DIRECTORS

Shri G.D.Garg, Director of the Company retires by rotation at the Fourteenth Annual General Meeting and is eligible for re-appointment. The Board recommends his re-appointment. Shri Sreenivasan Ramji, Nominee Director of Industrial Development Bank of India Limited has retired from the Board due to withdrawal of nomination and Shri Satish Gupta, Director of the Company has resigned from the Board during the year. The Board places on record its sincere appreciation for the guidance and support given by them during their tenure as directors of the Company.

AUDITORS

M/s T.N. Unni & Co., Chartered Accountants, Indore, Auditors of the Company are retiring at the conclusion of the fourteenth Annual General Meeting and they are eligible for re-appointment.

The Board recommends their re-appointment.

AUDITORS REPORT

Report of the Auditors, their observations on the Accounts and notes to the accounts for the year under review are self explanatory and does not require further explanation.

SUBSIDIARY AND GROUP COMPANIES

During the year our Company purchased 100% equity of the Parenteral Drugs International Limited and made it a wholly owned subsidiary and also purchased 50 % equity of Parenteral Drugs (Punjab) Limited in terms of approval of the Central Government under Section 372 of the Companies Act, 1956. The final accounts of the subsidiary Company i.e. Parenteral Drugs International Limited as required under Section 212 of the Companies Act, 1956 are enclosed and forming part of the accounts of the Company.

DIVIDEND

In view of the proposed future expansion activities of the Company and need for resources to meet out the requirement of the capital to fund those projects and to conserve the resources the Board has not recommended any dividend for the period 1996-98.

PARTICULARS OF EMPLOYEE

The particulars of the employees as required under the provisions of Section 217 (2-A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 as amended are not attracted in case of any of the employee of the Company.