

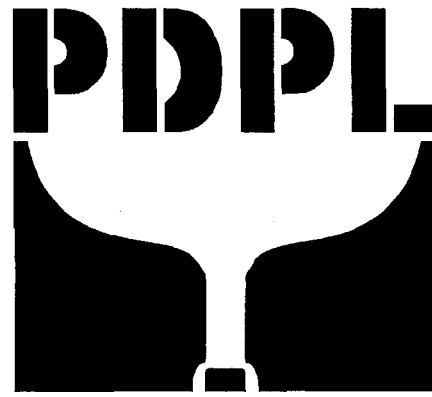
# 24<sup>th</sup> Annual Report 2008

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**PARENTERAL DRUG  
(INDIA) LIMITED**



# Annual Report 2007 - 2008

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## PARENTERAL DRUGS (INDIA) LIMITED

### BOARD OF DIRECTORS

Shri Manoharlal Gupta	Chairman Cum Managing Director
Shri Vinod Kumar Gupta	Managing Director
Shri Govind Das Garg	Whole-time Director
Shri Anil Mittal	Whole-time Director & Chief Executive
Shri Satish Chandra Consul	Director
Shri Dharam Pal Khanna	Director
Shri Dilip Kumar Sinha	Director
Shri Dilip Kumar Panchaity	Director

### REGISTERED OFFICE

340, Laxmi Plaza, Laxmi Industrial Estate,  
New Link Road, Andheri (West),  
Mumbai-400 053 (Maharashtra)

### CORPORATE OFFICE & INVESTORS GRIEVANCES CENTRE

Shree Ganesh Chambers,  
Navlakha Crossing,  
Indore-452 001 (M.P.)

### LOCATION OF PLANTS

1. Village Asrawad, Post Dudhia,  
Nemawar Road, Indore - 453 331(M.P)
2. Village Bhud, Tehsil Nalagarh,  
Distt. Solan - 173 205, Himachal Pradesh

### 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  
Punjab National Bank

### SHARE TRANSFER AGENT

M/s. Intime Spectrum Registry Limited  
C-13, Pannalal Silk Mills Compound,  
L.B.S Marg, Bhandup (W),  
Mumbai-400078

### COMPANY SECRETARY & COMPLIANCE OFFICER

Mrs. Nidhi Khanna Pillai

**PARENTERAL DRUGS (INDIA) LIMITED****NOTICE**

**NOTICE** is hereby given that the twenty fourth Annual General Meeting of the members of the Company will be held on Tuesday the 30th day of September, 2008, at 9.30 a.m. at Classique Club, New Link Road, Oshiwara, Andheri (West), Mumbai - 400 053, Maharashtra to transact the following business:

**ORDINARY BUSINESS**

- 1) To consider, approve and adopt the Balance Sheet of the Company as on 31<sup>st</sup> March, 2008, and Profit and Loss Account for the year ended on that date and the report of the Statutory Auditors' and the Directors' thereon;
- 2) To declare a dividend of Rs.1.50 (Rupee one and paisa fifty) per share on the equity shares issued by the Company;
- 3) To appoint a director in place of Shri Dilip Kumar Sinha, who retires by rotation and being eligible offers himself for re-appointment;
- 4) To appoint a director in place of Shri Govind Das Garg who retires by rotation and being eligible offers himself for re-appointment;
- 5) To appoint the Statutory Auditors of the Company and to fix their remuneration. The retiring Auditors of the Company M/s. T. N. Unni & Co., Chartered Accountants, Indore, are eligible for re-appointment.

**SPECIAL BUSINESS****ITEM NO. 6 APPOINTMENT OF SHRI ANIL MITTAL AS WHOLE-TIME DIRECTOR OF THE COMPANY**

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

**"RESOLVED THAT** in terms of provisions of Section 257 of the Companies Act, 1956, Shri Anil Mittal, be and is hereby appointed as a Director of the Company, liable to retire by rotation;

**RESOLVED FURTHER THAT** in terms of provisions of Section 269, 198, 309, 314 (1) read with provisions of Schedule XIII to the Companies Act, 1956, and other applicable provisions, if any, approval of the members be and is hereby accorded for appointment of Shri Anil Mittal as Whole-time Director of the Company for a period of 3 (three) years w.e.f. 30th January, 2008 on a monthly remuneration of Rs.2,00,000/- (Rupees two lacs), payment of bonus and other perquisites as per the Company rules, contribution towards provident fund and other statutory contributions as may be applicable to the Company from time to time."

**ITEM NO. 7 AUTHORITY TO THE BOARD TO CREATE CHARGE OVER THE ASSETS OF THE COMPANY**

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

**"RESOLVED THAT** in terms of provisions of Section 293 (1) (a) of the Companies Act, 1956 approval of the members of the Company be and is hereby accorded to the Board of Directors of the Company to create such mortgages and charges in addition to the existing mortgages, charges and hypothecation, created and to be 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 and Punjab National Bank, the Bankers of the Company to secure various financial facilities extended by them to the Company to the tune of Rs.184.50 Crores (Rs.One hundred and eighty four crores and fifty lacs only);

**RESOLVED FURTHER THAT** all moneys already borrowed within the aforesaid limit and charges already created and satisfied and other steps taken in respect of the financial facilities availed by the Company during the financial year from the above named Bankers and also from any other bank or financial institution and the documents executed by the Board of Directors of the Company in respect of the said financial facilities be and are hereby ratified and confirmed."



**PARENTERAL DRUGS (INDIA) LIMITED****ITEM NO. 8 RE-APPOINTMENT OF SHRI MANOHARLAL GUPTA AS CHAIRMAN CUM MANAGING DIRECTOR**

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

**"RESOLVED THAT** in terms of provisions of Section 269, 198 and 309, read with provisions of Schedule XIII to the Companies Act, 1956, approval of the members of the Company be and is hereby accorded for re-appointment of Shri Manoharlal Gupta as Chairman cum Managing Director of the Company for a further period of five years w.e.f. 1st January, 2009, on a consolidated monthly remuneration of Rs.2,00,000/- payment of bonus and other perquisites as per the Company rules, contribution to Provident and Gratuity Fund as may be applicable."

**ITEM NO. 9 RE-APPOINTMENT OF SHRI VINOD KUMAR GUPTA AS MANAGING DIRECTOR**

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

**"RESOLVED THAT** in terms of provisions of Section 269, 198 and 309, read with provisions of Schedule XIII to the Companies Act, 1956, approval of the members of the Company be and is hereby accorded for re-appointment of Shri Vinod Kumar Gupta as Managing Director of the Company for a further period of five years w.e.f. 1st January, 2009, on a consolidated monthly remuneration of Rs.2,00,000/- payment of bonus and other perquisites as per the Company rules and contribution to Provident and Gratuity Fund as may be applicable."

**ITEM NO.10 RE-APPOINTMENT OF SHRI GOVIND DAS GARG AS WHOLE TIME DIRECTOR**

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

**"RESOLVED THAT** in terms of provisions of Section 269, 198, 309 and 314 read with provisions of Schedule XIII to the Companies Act, 1956, approval of the members of the Company be and is hereby accorded for reappointment of Shri Govind Das Garg as Whole-time Director of the Company for a further period of three years w.e.f. 1st January, 2009, on a consolidated monthly remuneration of Rs.1,00,000/- payment of bonus and other perquisites as per the Company rules and contribution to Provident and Gratuity Fund as may be applicable."

Place :Indore  
Dt. 4<sup>th</sup> September, 2008

**BY ORDER OF THE BOARD**  
**Vinod Kumar Gupta**  
**Managing Director**

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

1. **A MEMBER ENTITLED TO ATTEND THE ANNUAL GENERAL MEETING AND VOTE THEREAT 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. THE PROXY IN ORDER TO BE VALID MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY AT LEAST 48 HOURS BEFORE THE TIME FOR THE MEETING.**
2. The Register of Members and the Share Transfer Books of the Company will remain closed for the purpose of dividend from Friday the 26th day of September, 2008 to Tuesday the 30th day of September, 2008 (both days inclusive).
3. Shareholders having any query or desiring any information pertaining to annual accounts are requested to write to the Company at an early date to enable the Company to reply the queries suitably at the time of the annual general meeting.
4. Dividend as declared by the Company for the financial year ended 31st March, 2007, is lying unclaimed in case of some of the shareholders of the Company. The members are requested to immediately write to Registrar and Share Transfer Agent of the Company if they have not received their part of dividend.
5. Explanatory statements in terms of provisions of Section 173 of the Companies Act, 1956 in respect of item No. 6 to 10 are enclosed and forming part of this notice.
6. The Shareholders who are still holding their shares in physical form are requested to approach their Depository Participants for dematerialization of their shares.

Place : Indore  
Dt. 4<sup>th</sup> September, 2008

**BY ORDER OF THE BOARD**  
**Vinod Kumar Gupta**  
**Managing Director**

**EXPLANATORY STATEMENTS**

In terms of provisions of Section 173 of the Companies Act, 1956 explanatory statements for the special business under item No. 6 to 10 are as under:

**Item No.6**

Shri Anil Mittal is associated with the Company for the last 17 years and after holding various responsible positions he is presently designated as the Chief Executive of the Company.

Shri Anil Mittal is aged 41 years and has wide experience in the field of finance, accounts, administration, legal and overall management of the affairs of the Company particularly experience in pharmaceutical industry and has been discharging his responsibility as Chief Executive. Now considering his rich experience in corporate field, it was desired to elevate him on the Board of Directors of the Company and accordingly the Board appointed him as an Additional Director with whole time responsibility on 30th January, 2008. Shri Mittal is a Director on the Board of (1) Lalit Media & Education Limited (2) KRM Holdings Private Limited (3) Punjab Formulations Limited (4) KRM Healthcare Private Limited (5) Priyanjali Education Private Limited.

In terms of provisions of section 257, 269, 198, 309 and 314 read with provisions of Schedule XIII to the Companies Act, 1956, approval of the members in General Meeting is required for appointment of Shri Anil Mittal as whole time director of the Company.

Shri Anil Mittal is not related to any other director of the Company. None of the Directors of the Company is interested in the resolution, except Shri Anil Mittal for himself.

The Board recommends passing of this resolution as an Ordinary Resolution.



## PARENTERAL DRUGS (INDIA) LIMITED

### Item No. 7

The Bankers of the Company, State Bank of India and Punjab National Bank (hereinafter collectively referred to as 'the Bankers of the Company') have sanctioned various financial facilities to the Company to the tune of Rs. 184.50 crores (Rupees One hundred eighty four crores and fifty lacs only) to meet various financial requirements of the Company for its various expansion plans, in respect of which necessary security and charge documents have already been executed in favour of the lenders. During the year, the Company also availed financial facilities from IDBI Limited and State Bank of Indore, which have been completely satisfied afterwards.

In terms of provisions of Section 293 (1) (a) of the Companies Act, 1956 approval of the members of the Company is sought to ratify the security so created and to be created by the Company in future in favour of the Bankers of the Company, by way of passing the proposed resolution as an Ordinary resolution. The Board recommends passing of the resolution. None of the Directors of the Company is interested in the resolution.

### Item No. 8

Shri Manoharlal Gupta is aged 55 years and a promoter Director of the Company and has been managing the affairs of the Company from the very beginning and has been instrumental in bringing the Company to this stage.

He has almost 31 years of working experience in pharmaceutical industry and has wide experience in various business activities and was previously appointed as Chairman cum Managing Director on 30th September, 2003 for a period of five years starting from 1st January, 2004 and his tenure as Chairman cum Managing Director is expiring on 31st December, 2008.

In terms of provisions of sections 198, 269, 309 read with the provisions of Schedule XIII to the Companies Act, 1956, approval of the members of the Company is required for his reappointment as Chairman cum Managing Director of the Company for a further period of five years by way of passing the proposed resolution as an Ordinary Resolution.

Shri Manoharlal Gupta for himself and Shri Vinod Kumar Gupta and Shri Govind Das Garg may be deemed interested in the resolution.

This explanatory Statement is and should be considered as explanatory note under section 302 of the Companies Act, 1956. The Board recommends passing of the resolution.

### Item No. 9

Shri Vinod Kumar Gupta is aged 58 years and a promoter director of the Company and has been managing the affairs of the Company from the very beginning and has been instrumental in bringing the Company to this stage.

Shri Gupta holds almost 36 years of working experience of various business activities including experience in pharmaceutical industry.

Shri Gupta is discharging his responsibilities as Managing Director of the Company since 1992 and was previously appointed as Managing Director on 30th September, 2003 for a period of five years starting from 1st January, 2004 and his tenure as Managing Director is expiring on 31st December, 2008.

In terms of provisions of sections 198, 269, 309 read with the provisions of Schedule XIII to the Companies Act, 1956, approval of the members of the Company is required for his reappointment as Managing Director of the Company for a further period of five years by way of passing the proposed resolution as an Ordinary Resolution.

Shri Vinod Kumar Gupta for himself and Shri Manoharlal Gupta and Shri Govind Das Garg may be deemed interested in the resolution.

This explanatory Statement is and should be considered as explanatory note under section 302 of the Companies Act, 1956. The Board recommends passing of the resolution.

### Item No. 10

Shri Govind Das Garg is aged 61 years and a promoter director of the Company and has been managing the affairs of the Company on day-to-day basis from the very beginning.

**PARENTERAL DRUGS (INDIA) LIMITED**

Shri Garg has 30 years of working experience in diversified business activities including experience in pharmaceutical industry.

Shri Govind Das Garg has been working as Whole-time Director of the Company since 1994 and was previously appointed as Whole-Time Director on 30<sup>th</sup> September, 2003, for a period of five years starting from 1<sup>st</sup> January, 2004 and his tenure as Whole-time Director is expiring on 31<sup>st</sup> December, 2008.

In terms of provisions of sections 198, 269, 309 and 314 read with the provisions of Schedule XIII to the Companies Act, 1956, approval of the members of the Company is required for his reappointment as Whole-Time Director of the Company for a further period of three years by way of passing the proposed resolution as an Ordinary Resolution.

Shri Govind Das Garg for himself and Shri Manoharlal Gupta and Shri Vinod Kumar Gupta may be deemed interested in the resolution. The Board recommends passing of the resolution.

Place : Indore  
Dt. 4<sup>th</sup> September, 2008

**BY ORDER OF THE BOARD**  
**Vinod Kumar Gupta**  
**Managing Director**





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

To,  
The Members of  
M/s. Parenteral Drugs (India) Limited

**Dear Shareholders**

The Directors take pleasure in presenting the 24th Annual Report on the performance of the Company together with the annual audited accounts for the financial year ended 31st March, 2008.

**FINANCIAL RESULTS :-**

The summary of the financial results for the year and appropriation of divisible profits is given below:

(Rs.in lacs)

<b>PARTICULARS</b>	<b>Current year ended 31st March, 2008</b>	<b>Previous year ended 31st March, 2007</b>
Sales and Other Income	21511.16	17450.73
Less Operating Expenses	17638.32	15763.68
<b>Profit before Interest &amp; Depreciation</b>	<b>3872.84</b>	<b>1687.05</b>
<b>DEDUCTIONS</b>		
Interest	1078.17	659.17
Depreciation	446.34	277.28
Provision for Fringe Benefit Tax	31.20	35.93
Provision for Taxation	257.64	113.29
<b>Less : Deferred Tax Liability</b>	<b>145.50</b>	<b>124.81</b>
<b>Add :Deferred Tax Asset</b>	<b>--</b>	<b>--</b>
Operational Profit after tax	1913.99	476.55
<b>Add: Provisions written back</b>	<b>--</b>	<b>--</b>
Net Profit	1913.99	476.55
<b>ADDITIONS</b>		
Balance brought forward from Previous Year	1777.85	1494.81
<b>APPROPRIATIONS</b>		
Surplus Available for Appropriation	3691.84	1971.36
Transferred to General Reserve	405.85	95.31
Proposed Divident	171.95	84.00
Tax on Distributed Profit	29.22	11.78
Previous year Income tax Liability / Written back	48.43	-2.42
Balance carried to Balance Sheet	3133.25	1777.85
<b>Earning per share (EPS of Face Value of Rs. 10/-</b>	<b>16.76</b>	<b>4.25</b>

**Operations and Business performance**

The performance of the Company during the year under review registered a turnover of Rs. 21297.63 lacs against turnover of Rs. 17345.91 lacs during the previous year thereby showing growth of 23% compared to the previous year. The profits before interest, depreciation and tax increased by 130% to Rs.3872.84 lacs as against Rs. 1687.05 lacs in the previous year. The profit before tax was higher by 213% to Rs.2348.32 lacs. The profit after tax was increased by 302% to Rs. 1913.99 lacs as compared to Rs. 476.55 Lacs in the previous year.

**PARENTERAL DRUGS (INDIA) LIMITED****Group Consolidation**

The Company is in the process of amalgamating two of its group special vehicle Companies viz. M/s.PFL Holdings Private Limited and M/s.Goa Holdings (India) Private Limited, for making their respective subsidiary companies viz Punjab Formulations Limited and Goa Formulations Limited as its 100% subsidiary Companies. As a result of the implementation of the scheme of amalgamation, the entire manufacturing capacity of the large volume parenteral under the group shall come under one umbrella, which shall not only enhance the share of the Company in the large volume parenteral sector but also ultimately increase the shareholders' net worth.

**Subsidiary Companies**

Statement of accounts of the subsidiary companies i.e. (1) Parenteral Biotec Limited (2) Parenteral Impex Limited (3) Anjaney Pharmaceuticals Limited (4) Parentech Healthcare Limited (5) Sanjiwani Medications Limited and (6) Abhay Drugs Limited and the consolidated financial statements under section 212 of the Companies Act, 1956 and Auditors' and the Directors' Report thereon are enclosed and forming part of the annual accounts.

**Directors**

Shri Govind Das Garg and Shri Dilip Kumar Sinha, the directors of the Company are retiring at the forthcoming annual general meeting and they are eligible for re-appointment. The Board recommends their re-appointment.

Shri Anil Mittal was appointed as an additional Director and Whole Time Director of the Company by the Board on 30th January, 2008. It is proposed to appoint him as a regular director of the Company at the forthcoming Annual General Meeting. The Company has received a notice under Section 257 alongwith requisite fee from one of the shareholder proposing Shri Anil Mittal's candidature as Director of the Company. The Board recommends his appointment.

**Dividend**

The Directors of the Company are pleased to recommend a dividend of Rs.1.50 (Rupee one and paise fifty only) per share on the equity shares of Rs. 10/- each. Dividend on fresh equity shares allotted during the year shall be paid on pro-rata basis. The dividend shall be tax free in the hands of the shareholders. The dividend, if approved by the members, will be paid to the shareholders whose names appear on the Register of Members of the Company on 30th September, 2008. The Board has not recommended any dividend on preference shares, since the only preference share holder M/s.PDPL Holdings Private Limited has waived its right to receive any dividend vide their consent letter dated 15th March, 2008.

**Bonus Issue**

The Company came out with its maiden Bonus issue during the year on 14th November, 2007 in the ratio of 1:1 thereby issuing 56,00,000 fully paid up equity shares to its shareholders.

**Preferential issue**

During the year under review the Company also made a preferential allotment of 26,70,000 equity shares of Rs. 10/- each at a premium of Rs. 176.41 per share to the independent subscribers. The Company also allotted 38,00,000 warrants, convertible into equal number of equity shares of Rs.10/- at a premium of Rs.176.41 per warrant on preferential basis, out of which 24,00,000 warrants are allotted to M/s.Mahaganpati Investment Private Limited, a Company under promoter category, subject to approval of SEBI, which is under consideration of SEBI. The proceeds of the preferential allotment have been used to fund the ongoing expansion and modernization program of the Company and the working capital requirements of the Company.

**Financial Facilities**

The total outstanding fund based and non fund based borrowings of the Company stand to the tune of Rs.184.50 crores. Out of which a sum of Rs.152.50 crores have been sanctioned by State Bank of India and Rs.32.00 crores by the Punjab National Bank.

**Auditors**

The Statutory Auditors, M/s. T.N.Unni & Co., Chartered Accountants, Indore the retiring auditors of the Company are proposed to be re-appointed. The Board recommends their re-appointment.

**Auditors' report**

The report of the Statutory Auditors of the Company and notes on accounts are self-explanatory and do not