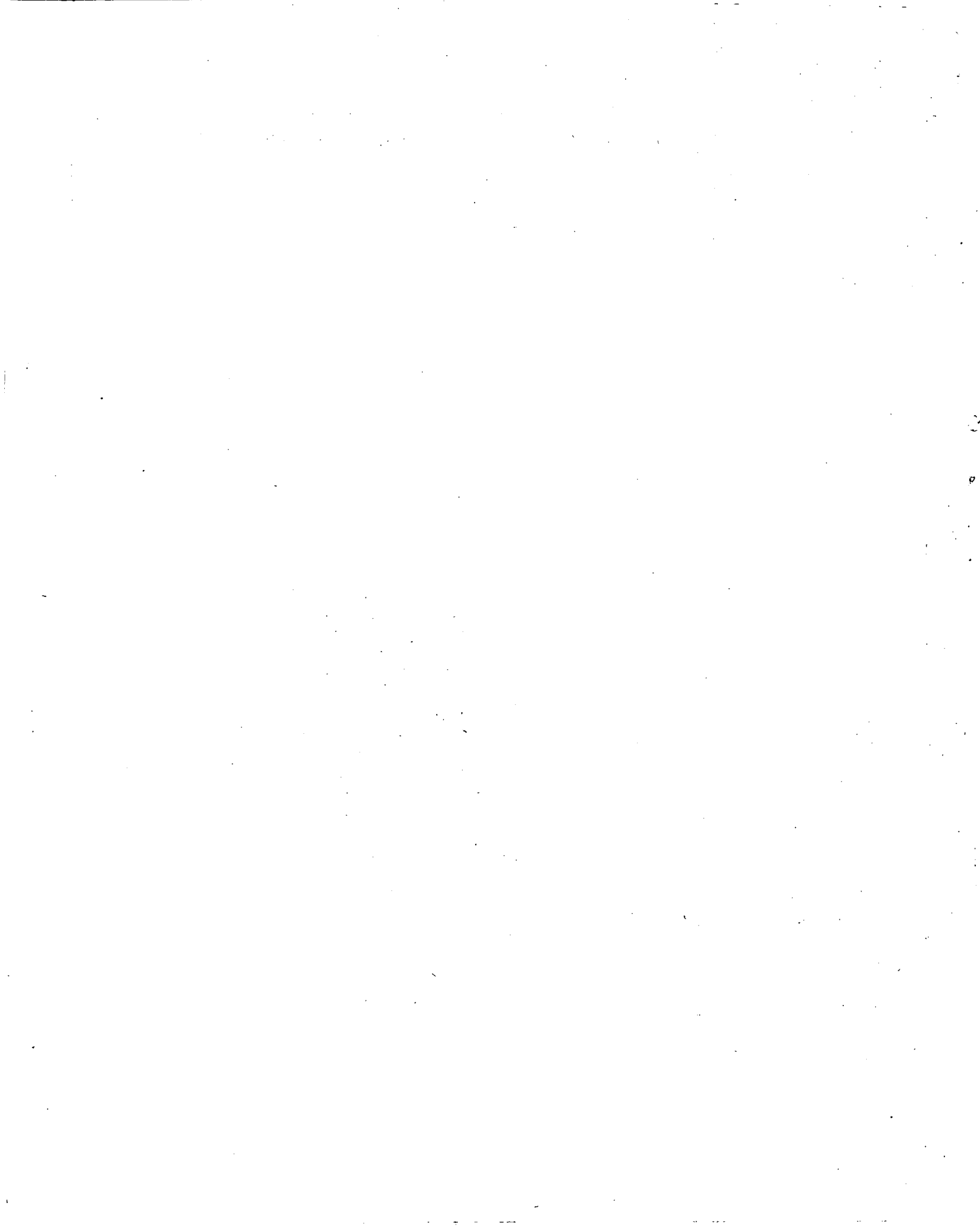


ANNUAL REPORT
1997-98

MD	<input checked="" type="checkbox"/>	BKC	<input checked="" type="checkbox"/>
CS	<input checked="" type="checkbox"/>	DPY	<input checked="" type="checkbox"/>
RO	<input checked="" type="checkbox"/>	DEV	<input checked="" type="checkbox"/>
TRA	<input checked="" type="checkbox"/>	AC	<input checked="" type="checkbox"/>
ACM	<input checked="" type="checkbox"/>	SH	<input checked="" type="checkbox"/>
YE	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>



NORRIS
MEDICINES LIMITED



BOARD OF DIRECTORS

Mr. B. N. Thakore	<i>Chairman and Managing Director</i>
Mr. N. J. Patel	<i>Joint Managing Director</i>
Mr. N. L. Upadhyaya	
Mr. M. L. Upadhyaya	<i>(Non-Resident Indian)</i>
Mr. S. G. Patel	
Mr. N. B. Thakore	<i>Alternate to Mr. M. L. Upadhyaya</i>
Mr. M. M. Shah	
Mr. D. U. Rao	<i>(Nominee Director IFCI)</i>

Auditors

J. P. Sharma & Co.
Chartered Accountants

Legal Advisor

Chitnis Vaithy & Co.
Advocates & Solicitors

Bankers

Dena Bank

Registered Office

Plot No. 7, Vikram Apts.,
Chakravarti Ashok Road,
Kandivali (E), Mumbai - 400 101.

Works

901/3,4,5, 801/P & 802
GIDC Industrial Estate,
Ankleshwar - 393 002 (Gujarat).

Registrars & Share Transfer Agents

K. R. Financial & Management
Services Pvt. Ltd.
103, Omex Apts.,
64, Sahar Road,
Andheri (E),
Mumbai - 400 069.



NORRIS MEDICINES LIMITED

NOTICE

NOTICE is hereby given that the Eighth Annual General Meeting of the members of NORRIS MEDICINES LIMITED will be held on Tuesday 30th March, 1999, at 3.00 p.m. at "The Celebrity" Payyade International Hotels Pvt. Ltd., Vasanji Lalji Road, Kandivali (West), Mumbai - 400 067 to transact the following business :

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at September 30, 1998, the Audited Profit and Loss Account for the year ended on that date, together with the Auditor's Report and Directors' Report thereon.
2. To appoint a Director in place of Mr. M. M. Shah who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Auditors and to fix their remuneration.

By order of the Board

Regd. Office :

Plot No. 7, Vikram Apartments,
Chakravarti Ashok Road,
Kandivali (E), Mumbai - 400 101.

B. N. THAKORE

Chairman & Managing Director

Date : November 30, 1998

NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. The Instrument of proxy, in order to be effective, must be deposited at the Company's Registered Office not less than forty-eight hours before the time of the meeting.
3. The Register of Members and Share Transfers Book will remain closed from Wednesday the 17th March 1999 to Tuesday, 30th March, 1999 (both days inclusive).
4. Members desiring any information on the accounts at the Annual General Meeting are requested to write to the Company at least seven days in advance, so as to enable the Company to keep the information ready.

DIRECTORS REPORT

Dear Members,

Your Directors have pleasure in presenting to you the Eighth Annual Report and Audited Accounts for the year ended September 30th, 1998.

I. FINANCIAL RESULTS :

	Year Ended 30.9.98	(Rs. in 000) Period Ended 30.09.97
Sales & Other Income	1,98,407	3,18,142
Profit / [Loss] before Dep. & Tax	[20,271]	9,672
<i>Less</i> : Depreciation	5,741	8,554
Profit / [Loss] before Tax	[26,012]	1,118
<i>Less</i> : Provisions for Tax	--	831
Profit / [Loss] after Tax	[26,012]	287

In view of the loss it has been decided not to recommend any dividend for the year.

II. OPERATIONS :

The performance of the company has been adversely affected during the year due to multiple reasons beyond the control of the company. The overheads could not be absorbed because of reduction in volume of sales and hence the company has incurred huge loss. The necessary corrective actions are being taken to overcome the situation and your board is confident of turning the corner in the near future.

III. DIRECTORATE :

During the year Mr. P. R. Gupta and Dr. V. P. Arya resigned from the Board of Directors of the Company. Your Directors place on record the valuable services and guidance rendered by Mr. P. R. Gupta and Dr. V. P. Arya during their tenure as Directors of the Company.

Pursuant to provisions of the Companies Act, 1956 and Articles of Association of the Company Mr. M. M. Shah is the Director to retire by rotation at the ensuing Annual General Meeting and being eligible offers himself for reappointment.

IV. PARTICULARS OF EMPLOYEES :

During the Financial year, the company had no employee on its rolls in receipt of remuneration attracting the provisions of Section 217 (2A) of the Companies Act 1956.



V. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO :

As required under Section 217 (1)(e) of the Companies Act, 1956 read with Rule 2 of the Companies (Disclosure of particulars in the Report of the Board of Directors) Rules, 1988, the particulars relating to conservation of energy, technology absorption and foreign exchange earnings and outgo are annexed.

VI. FIXED DEPOSITS :

The Company has not accepted any fixed deposits during the year.

VII. AUDITORS :

M/s. J.P.Sharma & Co., Chartered Accountants, Auditors of the company are retiring at the conclusion of this Annual General Meeting and being eligible have offered themselves for reappointment.

VIII. APPRECIATION :

Your Directors wish to place on records their appreciation of the support and co-operation received from the Financial Institutions, Banks, and Employees of the Company.

For and on Behalf of the Board

B. N. THAKORE

(Chairman & Managing Director)

Date : November 30, 1998

Place : MUMBAI.



AUDITOR'S REPORT

We have audited the attached Balance Sheet of **NORRIS MEDICINES LIMITED** as at September 30, 1998 and also the Profit and Loss Account of the Company for the year ended on that date, annexed thereto, and report that :

- (1) As required by the Manufacturing and Other Companies (Auditor's Report) Order, 1988, issued by the Company Law Board in terms of Section 227(4A) of the Companies Act, 1956, we annex hereto a statement on the matters specified in paragraphs 4 and 5 of the said Order.
- (2) Further to our comments in the Annexure referred to in paragraph (1) above, we report that:
 - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) In our opinion, proper books of accounts as required by law have been kept by the Company so far as appears from our examination of the books;
 - c) The Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of accounts;
 - d) In our opinion and to the best of our information and according to the explanations given to us, the accounts give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view-
 - (i) in the case of the Balance Sheet, of the state of affairs of the Company as at September 30, 1998, and
 - (ii) in the case of the Profit and Loss Account, of the Loss of the Company for the year ended on that date.

FOR J.P.SHARMA & CO.
Chartered Accountants

Date : November 30, 1998
Place : MUMBAI.

J.P. SHARMA
Proprietor

ANNEXURE REFERRED TO IN PARAGRAPH 1 OF THE AUDITORS' REPORT TO THE MEMBERS OF NORRIS MEDICINES LIMITED.

1. The Company is maintaining proper records to show full particulars, including quantitative details and situation of fixed assets. Verification of fixed assets is being conducted in a phased programme by the management, which in our opinion is reasonable having regard to the size of the Company and the nature of assets. The verification of assets due as per this programme has been carried out and no discrepancies have been noticed on such verification.
2. None of the fixed assets have been revalued during the year.
3. Stocks of finished goods, stores, spare parts and raw materials have been physically verified by the management at reasonable intervals during the year.
4. In our opinion and according to the information and explanations given to us, the procedures of physical verification of stocks followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
5. No material discrepancies have been noticed on physical verification of stock as compared to book records.
6. In our opinion and on the basis of our examination of the stock records, the valuation of stocks is fair and proper and in accordance with the normally accepted accounting principles, and is on the same basis as in the previous year.

7. The Company has not taken any loans, secured or unsecured from companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956.
8. The Company has not granted any loans, secured or unsecured to companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956.
9. The company has during the year given loans and advances in the nature of loans, which are in our opinion on terms and conditions not prejudicial to the interests of the company. The parties to whom such loans and advances have been given are regular in repayment of principal & interest wherever stipulated.
10. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchases of stores, raw materials including components, plant and machinery, equipment and other assets, and with regard to sale of goods.
11. According to the information and explanations given to us, the transactions of purchase of goods and materials with the parties entered in the register maintained under Section 301 of the Companies Act, 1956 are not prejudicial to the interest of the Company and there are no transactions of sale of goods and materials (there being no sale of services), aggregating during the year to Rs. 50,000/- or more in respect of each party.
12. As explained to us, the Company has a regular procedure for the determination of unserviceable or damaged stores, raw materials and finished goods. Adequate provision has been made in the accounts for the loss arising on the items so determined.
13. The Company has not accepted any deposits from the public.
14. In our opinion, reasonable records have been maintained by the Company for the sale and disposal of scrap. The Company has no by-products.
15. In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
16. We have broadly reviewed the books of accounts maintained by the Company pursuant to the Order made by the Central Government for the maintenance of cost records under Section 209 (1) (d) of the Companies Act, 1956 and are of the opinion that prima facie, the prescribed records have been maintained.
17. The Company has been regular in depositing Provident Fund dues and Employees' State Insurance dues with the appropriate authorities.
18. According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, wealth tax, sales tax, customs duty and excise duty were outstanding as at September 30, 1998 for a period of more than six months from the date they became payable.
19. According to the information and explanation given to us, no personal expenses of employees or Directors have been charged to revenue account other than those payable under contractual obligations or in accordance with generally accepted business practices.
20. The Company is not a sick industrial company within the meaning of clause (o) of sub section (1) of Section 3 of the Sick Industrial Companies (Special Provisions) Act, 1985.
21. In relation to trading activity of the Company no damaged goods have been determined.

FOR J.P.SHARMA & CO.
Chartered Accountants

Date : November 30, 1998
Place : MUMBAI.

J.P. SHARMA
Proprietor

BALANCE SHEET AS AT SEPTEMBER 30, 1998

	Sch.	Current Year Rupees	Prévious Period Rupees
I. SOURCES OF FUNDS			
1) Shareholders' Funds			
a) Capital	1	9,72,13,500	9,72,13,500
b) Reserves & Surplus	2	16,57,910	1,95,34,228
2) Loan Funds			
a) Secured Loans	3	16,84,21,081	13,25,32,002
b) Unsecured Loans	4	1,06,85,529	1,07,35,529
TOTAL		<u>27,79,78,020</u>	<u>26,00,15,259</u>
II. APPLICATION OF FUNDS			
1) Fixed Assets			
a) Gross Block	5,	19,88,40,222	18,92,85,395
b) Less : Depreciation		<u>2,07,81,231</u>	<u>1,50,40,540</u>
c) Net Block		17,80,58,991	17,42,44,855
2) Investments	6	15,65,775	15,65,775
3) Current Assets Loans and Advances			
a) Inventories	7	2,91,47,412	4,11,55,773
b) Sundry Debtors	8	6,25,90,074	5,04,78,974
c) Cash & Bank Balances		16,59,699	18,16,825
d) Loans & Advances		48,38,278	41,40,563
		<u>9,82,35,463</u>	<u>9,75,92,135</u>
<i>Less : Current Liabilities & Provisions</i>		<u>1,13,91,735</u>	<u>1,89,02,410</u>
Net Current Assets		8,68,43,728	7,86,89,725
4) Miscellaneous Expenditure (To the extent not W/Off or adjusted)	9	1,15,09,526	55,14,904
TOTAL		<u>27,79,78,020</u>	<u>26,00,15,259</u>
NOTES TO ACCOUNTS	10		

As per our report of even date
For **J. P. SHARMA & CO.**
Chartered Accountants

For **NORRIS MEDICINES LTD.**

B. N. THAKORE
Chairman & Mng. Director

N. J. Patel
Jt. Managing Director

Jai Prakash Sharma
Proprietor

Nakul Upadhyaya
Suresh Patel
Nimish Thakore
Manish M. Shah
D. U. Rao } *Directors*

Place : Mumbai
Date : November 30, 1998

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED SEPTEMBER 30, 1998

	Current Year Rupees	Previous Period Rupees
I. INCOME		
Sales	19,20,68,112	30,79,83,275
Other Income	63,38,890	1,01,58,594
TOTAL	<u>19,84,07,002</u>	<u>31,81,41,869</u>
II. EXPENDITURE		
Cost of goods consumed/sold	18,79,19,687	26,88,36,317
Administrative Expenses	41,22,408	64,89,095
Selling Expenses	87,51,768	1,16,79,300
Interest	1,65,53,298	1,91,64,901
Depreciation	57,40,691	85,53,506
Misc. Expenditure W/off.	13,31,477	23,00,733
TOTAL	<u>22,44,19,329</u>	<u>31,70,23,852</u>
III. PROFIT / (LOSS) BEFORE TAX	(2,60,12,327)	11,18,017
IV. PROVISION FOR TAXATION	---	8,30,898
V. PROFIT / (LOSS) AFTER TAX	(2,60,12,327)	2,87,119
VI. SURPLUS BROUGHT FORWARD FROM LAST YEAR	1,46,86,228	1,43,99,109
VII. BALANCE CARRIED TO BALACE SHEET	<u>(1,13,26,099)</u>	<u>1,46,86,228</u>

NOTES TO ACCOUNTS : Schedule 10

As per our report of even date
For J. P. SHARMA & CO.
Chartered Accountants

For NORRIS MEDICINES LTD.

B. N. THAKORE
Chairman & Mng. Director

N. J. Patel
Jt. Managing Director

Jai Prakash Sharma
Proprietor

Nakul Upadhyaya
Suresh Patel
Nimish Thakore
Manish M. Shah
D. U. Rao } Directors

Place : Mumbai
Date : November 30, 1998

SCHEDULE FORMING PART OF THE ACCOUNTS

	30.09.98 Rupees	30.09.97 Rupees
SCHEDULE 1		
SHARE CAPITAL		
Authorised		
1,01,00,000 Equity Shares of Rs.10/- each	10,10,00,000	10,10,00,000
Issued, Subscribed & Paid up		
98,00,000 Equity Shares of Rs.10/- each fully paid up	9,80,00,000	9,80,00,000
Less : Share Allotment money in arrears	7,86,500	7,86,500
	<u>9,72,13,500</u>	<u>9,72,13,500</u>
SCHEDULE 2		
RESERVES & SURPLUS		
General Reserve :		
	--	40,00,000
Profit & Loss Account		
State Subsidy	16,57,910	1,46,86,228
	<u>16,57,910</u>	<u>8,48,000</u>
	<u>16,57,910</u>	<u>1,95,34,228</u>
SCHEDULE 3		
SECURED LOANS		
A. Term Loans		
(i) Financial Institutions	11,92,02,714	9,92,76,441
(ii) Others	5,22,098	4,27,109
	<u>11,97,24,812</u>	<u>9,97,03,550</u>
<p>Note : The term loans from financial institutions & others are secured by way of (1) First mortgage & charge on all the immovable properties both present & future & (2) First charge by way of hypothecation of all the movable assests subject to prior charges in favour of bank for borrowing of Working Capital finance & (3) Personal guarantee by promoters Directors & (4) Pledge of shares of the company belonging to the promoters.</p>		
B. Working Capital Loan :		
(A) Cash Credit	2,37,99,940	1,96,60,222
(B) Bills Purchase	2,48,96,329	1,31,68,230
	<u>4,86,96,269</u>	<u>3,28,28,452</u>
<p>The Working Capital Loan is secured by way of hypothecation of Company's stock & book debts and personal guarantee by promoter directors.</p>		
	<u>16,84,21,081</u>	<u>13,25,32,002</u>
SCHEDULE 4		
UNSECURED LOANS		
From Others	1,06,85,529	1,07,35,529
	<u>1,06,85,529</u>	<u>1,07,35,529</u>

SCHEDULE 5

Rupees

Sr. No.	Asset	GROSS BLOCK			DEPRECIATION			NET BLOCK	
		As at 01-10-97	Additions/ Deletions during the year	As at 30-09-98	As at 01-10-97	Depre./ Adjust for the year	As at 30-09-98	As at 30-09-98	As at 30-09-97
1	Land (Leasehold)	26.86.219	Nil	26.86.219	Nil	Nil	Nil	26.86.219	26.86.219
2	Buildings	3.76.87.456	Nil	3.76.87.456	34.78.577	12.58.761	47.37.338	3.29.50.117	3.42.08.879
3	Plant & Machinery	7.53.79.923	3.51.570	7.57.31.493	95.87.897	35.93.632	1.31.81.529	6.25.49.964	6.57.92.026
4	Vehicles	5.74.668	Nil	5.74.668	2.00.239	54.558	2.54.797	3.19.871	3.74.429
5	Furniture & Fixture and Office Equip.	1.30.81.352	1.37.492	1.32.18.844	17.73.827	8.33.740	26.07.567	1.06.11.277	1.13.07.525
		12.94.09.618	4.89.062	12.98.98.680	1.50.40.540	57.40.691	2.07.81.231	10.91.17.448	11.43.69.078
6	Capital Work-in Progress	5.98.75.777	90.65.765	6.89.41.542	Nil	Nil	Nil	6.89.41.542	5.98.75.777
	Total	18.92.85.395	95.54.827	19.88.40.222	1.50.40.540	57.40.691	2.07.81.231	17.80.58.991	17.42.44.855

**SCHEDULE FORMING PART OF THE ACCOUNTS**

	30.09.98 Rupees	30.09.97 Rupees
SCHEDULE 6		
INVESTMENTS		
UNQUOTED (AT COST)		
National Saving Certificate	2,000	2,000
Kisan Vikas Patra	5,000	5,000
Equity Shares (Unquoted) of Navjeevan Co-op. Hsg. Society, Ankleshwar	1,275	1,275
Equity Shares (Unquoted) of Anl. Taluka Sahakari Bhandar Ltd.	500	500
QUOTED (AT COST)		
1500 Equity Shares of Dena Bank (M. V. Rs.26,400/-)	45,000	45,000
100 Equity Shares of Bank of Baroda (M. V. Rs.6,800/-)	12,000	12,000
1,50,000 Partly Paid Equity Shares of Guj. State Fin. Corp. Ltd. (Alloted 1,40,300 Shares)	15,00,000	15,00,000
	<u>15,65,775</u>	<u>15,65,775</u>
SCHEDULE 7		
INVENTORIES		
(At Cost or Market Value whichever is lower. As taken, valued and certified by management)		
Raw Materials & Packing Materials	1,15,76,803	1,24,39,325
Finished Goods	85,43,909	1,61,76,258
Work-in-Progress	90,26,700	1,25,40,190
	<u>2,91,47,412</u>	<u>4,11,55,773</u>
SCHEDULE 8		
SUNDRY DEBTORS		
(Unsecured, Considered Good)		
For more than 6 months	1,06,62,494	1,23,85,880
Others	5,19,27,580	3,80,93,094
	<u>6,25,90,074</u>	<u>5,04,78,974</u>
SCHEDULE 9		
MISCELLANEOUS EXPENDITURE		
(To the extent not written off or adjusted)		
Profit & Loss Account (Debit Balance)	1,13,26,099	--
Less : Transfer from General Reserve	40,00,000	--
	<u>73,26,099</u>	<u>--</u>
Preliminary Expenses	65,825	84,645
Preoperative/Public Issue Exps.	32,33,885	38,21,865
Deferred Revenue Expenses	8,83,717	16,08,394
	<u>1,15,09,526</u>	<u>55,14,904</u>

SCHEDULE 10
NOTES TO ACCOUNTS

1. Previous Period figures have been regrouped/reclassified in the Current Year.
2. Accounting Policies :
 - a) Inventories
Raw Materials and Packing Materials are valued at cost, work-in-process and finished goods are valued at cost or market price whichever is lower.
 - b) The Company has provided depreciation on Straight Line Method on pro rata basis as per the rates provided in schedule XIV of the Companies Act, 1956.
 - c) Investments :
Investments are shown at cost.
 - d) Modvat Benefits :
Modvat benefits are accounted on duty paid materials when credit is given in Excise records by Debit to excise duty deposit Account. Amount of Modvat Benefit availed of is charged to Profit & Loss Account as excise duty paid and amount of modvat benefit availed on capital goods is credited to assets account.
 - e) Export Benefits :
Export incentives in form of Pass Book & Drawback are accounted on cash basis.
3. Auditors Remuneration includes :

	1997-98	1996-97
	Rupees	Rupees
Audit Fees	25,000	37,500
Tax Audit Fees	5,000	5,000
Reimbursement of out of pocket expenses	2,500	5,368
Total	<u>32,500</u>	<u>47,868</u>

Additional information pursuant to the provisions of paragraphs 3, 4C and 4D of Part II of schedule VI of the Companies Act, 1956.

The Company Law Board has exempted from publication of certain information of the Profit & Loss Account under paras 3 (i) (a), 3 (ii) (a) (1) & (2) of Part II of schedule VI of the Companies Act, 1956 by their order No.46/212/98/CL-III dated 29.1.99 under Section 211 (4) of the Companies Act, 1956.

Information regarding Part 4C & 4D of Part II of Schedule VI

	1997-98	1996-97
	Rupees	Rupees
a) Value of Imports calculated on C. I. F. basis during the year	16,71,869	9,39,107
b) Expenditure in foreign currency during the financial year on of know-how, professional fees, interest etc.	--	--
c) Value of imported raw materials, spare parts and components consumed during the year	16,71,869	9,39,107
d) Amount remitted during the period in foreign currencies on account of dividend	--	--
e) Earning in Foreign Exchange on F. O. B. basis	1,79,84,142	1,96,00,660

As per our report of even date

For **J. P. SHARMA & CO.**

Chartered Accountants

Jai Prakash Sharma

Proprietor

Place : Mumbai

Date : November 30th, 1998.

For **NORRIS MEDICINES LTD.**

B. N. THAKORE

Chairman & Mng. Director

N. J. Patel

Jt. Managing Director

Nakul Upadhyaya

Suresh Patel

Nimish Thakore

Manish M. Shah

D. U. Rao

Directors



STATEMENT PURSUANT TO PART IV OF SCHEDULE VI TO THE COMPANIES ACT, 1956

Balance Sheet Abstract and Company's General Business Profile

I. REGISTRATION DETAILS

Registration No.	58071			State Code	11
Balance Sheet	30	09	98		
	Date	Month	Year		

II. CAPITAL RAISED DURING THE YEAR (AMOUNT RS. IN THOUSANDS)

Public Issue	Nil	Rights Issue	Nil
Bonus Issue	Nil	Private Placement ★	Nil

★ Including Premium

III. POSITION OF MOBILISATION AND DEVELOPMENT OF FUNDS (AMOUNT RS. IN THOUSANDS)

Total Liabilities	2,89,370	Total Assets	2,89,370
Sources of Funds		Reserves and Surplus	1,658
Paid-up Capital	97,214	Unsecured Loans	10,685
Secured Loans	1,68,421	Investments	1,566
Application of Funds		Misc. Expenditure	4,183
Net Fixed Assets	1,78,059		
Net Current Assets	86,844		
Accumulated Losses	7,326		

IV. PERFORMANCE OF COMPANY (AMOUNT RS. IN THOUSANDS)

Turnover & other Income	1,98,407	Total Expenditure	2,24,419
+ - Profit/Loss Before Tax	(-) 26,012	+ - Profit/Loss After Tax	(-) 26,012
(Please tick Appropriate box + for profit - for loss)			
Earnings Per Share (in Rs.) ★	—	Dividend Rate %	NIL

★ based on year end ordinary shares

**V. GENERIC NAMES OF THREE PRINCIPAL PRODUCTS/SERVICE OF THE COMPANY
(AS PER MONETARY TERMS)**

Item Code No. (ITC Code) Product Description 30.04 Pharmaceutical Products.

As per our report of even date
For **J. P. SHARMA & CO.**
Chartered Accountants

For **NORRIS MEDICINES LTD.**

B. N. THAKORE
Chairman & Mng. Director

N. J. Patel
Jt. Managing Director

Jai Prakash Sharma
Proprietor

Nakul Upadhyaya
Suresh Patel
Nimish Thakore
Manish M. Shah
D. U. Rao } *Directors*

Place : Mumbai
Date : November 30th, 1998

**CASH FLOW STATEMENT ANNEXED TO THE BALANCE SHEET FOR THE YEAR ENDED 30.9.98**

	Rs. in Laes			
	1997-98		1996-97	
A. Cash Flow from operating activities :				
Net Profit before tax and extraordinary Items		(260.12)		11.18
Adjustments For :				
Depreciation	57.41		85.54	
Foreign Exchange			--	
Investments	--		--	
Interest	<u>165.53</u>	<u>222.94</u>	<u>191.65</u>	<u>277.19</u>
Operating profit before working capital changes		(37.18)		288.37
Adjustment For :				
Trade and Other Receivables	(128.09)		(227.27)	
Inventories	120.09		(280.97)	
Trade Payables	<u>(75.10)</u>	<u>(83.10)</u>	62.45	<u>(445.79)</u>
Cash Generated from Operations		(120.28)		(157.42)
Interest Paid		165.53		191.65
Direct Taxes Paid		--		8.31
Cash Flow before Extraordinary Items		(285.81)		(357.38)
Extraordinary Items		8.10		--
Net Cash from Operating Activities		(277.71)		(375.38)

B. Cash Flow form Investing Activities :

Purchase of Fixed Assets	(82.24)	(569.85)
Sale of Fixed Assets	--	--
Acquisition of Companies (As per Annexure)	--	--
Purchase of Investments	--	15.57
Sale of Investments	--	--
Interest Received	--	--
Dividend Received	--	--
Net Cash used in Investing Activities	(82.24)	(585.42)

C. Cash Flow from Financing Activities

Proceeds from issue of share capital	--	--
Proceeds from Long Term Borrowing	358.38	958.24
Repayment of Finance lease liabilities	--	--
Dividend Paid	--	--
Net Cash used in Finance Activities	358.38	958.24

D. Net Increase in Cash and Cash Equivalents (A+B+C)

(1.57) 15.44

E. Opening Balance Cash and Cash Equivalents

18.17 2.73

F. Closing Balance of Cash and Cash Equivalents (D+E)

16.60 18.17

For and on behalf of the Board

Place : Mumbai

Date : November 30th, 1998.

B. N. THAKORE*Chairman & Mng. Director***AUDITORS' REPORT**

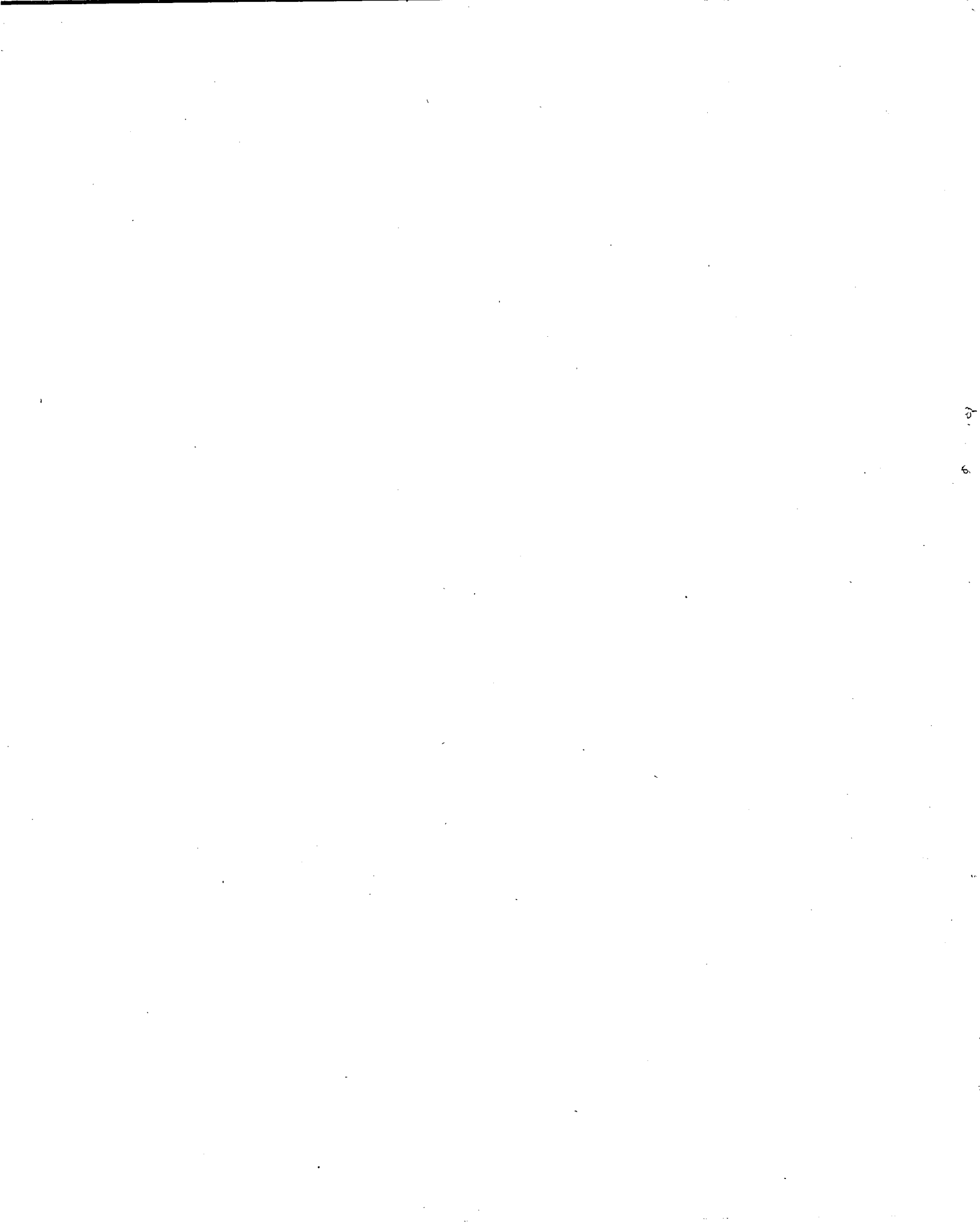
We have verified the attached Cash Flow Statement of Norris Medicines Ltd., derived from audited financial statements and the books and record maintained by the Company for the year ended September 30, 1998 and found the same in agreement therewith.

For **J. P. SHARMA & CO.***Chartered Accountants*

Place : Mumbai

Date : November 30th, 1998.

J. P. SHARMA*Proprietor*



NORRIS MEDICINES LIMITED

Regd. Office : Plot No. 7, Vikram Apts., Chakravarti Ashok Road,
Kandivali (E), Mumbai - 400 101.

PROXY FORM

Reg. Folio No. _____ No. of Shares held _____

I/We _____

being a member / members of **NORRIS MEDICINES LTD.** hereby appoint _____

_____ of _____ or failing

him/her _____ of _____

as my/our proxy to vote for me/us on my/our behalf at the **EIGHTH ANNUAL GENERAL MEETING** of the Company to be held on Tuesday, 30 March, 1999 at 3.00 p.m. at "The Celebrity" Payyade International Hotels Pvt. Ltd. , Vasanji Lalji Road, Kandivali (West), Mumbai - 400 067.

Affix
30 Paise
Revenue
Stamp

Signed this _____ day of _____ 1999 Signature _____

Note : This Form duly completed and signed must be deposited at the Registered Office of the Company, not later than 48 hours before the Meeting.

NORRIS MEDICINES LIMITED

Regd. Office : Plot No. 7, Vikram Apts., Chakravarti Ashok Road,
Kandivali (E), Mumbai - 400 101.

ATTENDANCE SLIP

(To be handed over at the reception)

Eighth Annual General Meeting 30th March, 1999

I hereby record my presence at the **EIGHTH ANNUAL GENERAL MEETING** of the Company being held on Tuesday, 30 March, 1999 at 3.00 p.m. at "The Celebrity" Payyade International Hotels Pvt. Ltd., Vasanji Lalji Road, Kandivali (West), Mumbai - 400 067.

Full Name of Member (in **BLOCK LETTERS**) _____

Reg. Folio No. _____ No. of Shares held _____

Full Name of Proxy (in **BLOCK LETTERS**) _____

Member's/Proxy's Signature _____

NOTE :

- 1. Shareholders/Proxyholders are requested to bring the attendance slips with them duly completed and signed when they come to the meeting and hand them over at the reception.

BOOK-POST

If undelivered, please return to :

NORRIS MEDICINES LIMITED

Plot No. 7, Vikram Apts.,

Chakravarti Ashok Road,

Kandivali (E), Mumbai - 400 101.