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CHEMECH LABORATORIES LIMITED.



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ANNUAL REPORT 1996-97





CHEMECH LABORATORIES LIMITED

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As a measure of economy, copies of the Annual Reports will not be distributed at the Annual General Meeting. Share holders are requested to bring their copies to the meeting.

Members are requested to produce the attendance slip before entering the meeting hall.

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CHEMECH LABORATORIES LIMITED

**EM EL EM Complex, Mahalingapuram
Chennai 600 034**

BOARD OF DIRECTORS : Mr. T.S. Jaishankar, Chairman &
Managing Director

Dr. Mrs. Rajam Jaishankar,
Medical Director

Mr. M. Meenakshi Sundaram
(SIPCOT Nominee)

Mr. T. Sathyanarayanan
(Boi Nominee)

AUDITORS : M/s. R. Subramanian & Co.,
Chartered Accountants

BANKERS : Bank of India
State Bank of India

REGISTERED OFFICE : EM EL EM Complex
Mahalingapuram
Chennai 600 034

Works : B-59(S) SIPCOT Industrial
Complex
Gummidipoondi
Tamilnadu 601 201

CHEMECH LABORATORIES LIMITED**EM EL EM Complex, Mahalingapuram****Chennai 600 034****NOTICE**

NOTICE IS HEREBY GIVEN that the Thirteenth Annual General Meeting of the members of the company will be held as Scheduled below:-

Day : Monday

Date : 15.12.97

Time : 3 p.m.

Place : Asha Nivas,
No. 9, Rutland Gate, 5th Street, Madras - 6.

to transact the following business:

ORDINARY BUSINESS:

1. To consider and adopt the Balance Sheet as at 31st March 1997, Profit and Loss Account for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Smt. Dr. Rajam Jaishankar who retires by rotation and being eligible, Offers herself for re-appointment.
3. To appoint Auditors who shall hold office from the conclusion of the Annual General Meeting until conclusion of the next Annual General Meeting and to fix their remuneration.

By Order of the Board of Directors

(Sd). T.S. Jaishankar

Managing Director

Place: Chennai

Date: 05.09.97

CHEMECH LABORATORIES LIMITED

Balance Sheet Abstract and Company's general business profile
as per amendment to Schedule VI: -

(I) Registration Details:	31.03.97	31.03.96
a. Registration No.	8355	8355
b. State Code	18	18
c. Balance Sheet Date	31.03.97	31.03.97
(II) Capital Raised during the year:		
1. Public Issue	Nil	Nil
2. Rights Issue	Nil	Nil
3. Bonus Issue	Nil	Nil
4. Private Placement	Nil	Nil
(III) Position of Mobilisation of Deployment of Funds:		
	Rs.	Rs.
	(in lakhs)	(in lakhs)
a. Total Assets	1013.83	1102.83
b. Total Liabilities	1013.83	1102.83
Sources of Funds:		
a. Paid Up Capital	100.00	100.00
b. Reserves and Surplus	246.80	258.48
c. Secured Loans	343.33	352.15
d. Unsecured Loans	120.15	50.98
Total	810.28	761.61
Application of funds:-		
a. Net Fixed Assets	347.78	363.23
b. Investment	-	-
c. Net Current Assets	181.67	116.00
d. Miscellaneous Expenditure & Profit & Loss A/C	280.83	282.38
	810.28	761.61
(IV) Performance of the Company:-		
a. Turn -Over	482.91	437.66
b. Other Income	11.62	0.80
c. Total Expenses	452.41	512.30

CHEMECH LABORATORIES LIMITED

d. Profit Before Tax	3.19	22.48
e. Profit after Tax	3.19	22.48
f. Earning per Share	0.32	2.25

v. Generic Names and three principle products/Services as per company (as per monetary terms):-

Item Code No. ITC Code 29-41 30.01 to 30.06

PRODUCT DESCRIPTION ANTIBIOTICS

PHARMACEUTICALS

(By order of the Board)
-Sd-

Director

Place: Chennai
Date: 05.09.97

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CHEMECH LABORATORIES LIMITED

DIRECTORS' REPORT

Your Directors have pleasure in presenting the 13th Annual Report and Audited accounts of your Company for the year ended 31.03.97.

	1996-97	1995-96 (Rs. in lakhs)
Sales and other Income	494.53	438.45
Profit before Interest, Depreciation Interest & Depreciation	82.23 79.04	110.91 88.43
Profit for the year	3.19	22.48
LESS: Provision for Tax	-	-
Net Profit for the year	3.19	22.48
Add Balance in Profit and Loss A/c	(258.63)	(294.94)
	(255.44)	(272.45)
Less: Prior Period Adjustment (Net)	--	(13.82)
Net Loss Carried to Balance Sheet	(255.44)	(258.63)

OPERATIONS

Your Directors are happy to note that there is marginal increase in the turnover by 10% and the company made profit during the year. Compared to the last year, the profit earned is meagre. This was due to sudden drop in sales from April 96 to October 96. However the sales picked up considerably from November 96 onwards. The Company has paid interest dues and a portion of term loan dues to the financial institutions during the year.

DEPOSITS

The company has not accepted any deposit from the public and is not required to furnish any information in respect of outstanding deposits under non-banking, non-financial companies (Reserve Bank Direction 1966) and (Companies Acceptance of Deposits rules, 1975).

CHEMECH LABORATORIES LIMITED**AUDITORS**

Messrs. R. Subramaniam & Co, Chartered Accountants, Statutory Auditors to the Company, retire at the conclusion of the Annual General Meeting and are eligible for the appointment. They have consented to function as Auditors of the company if appointed. Necessary certificate to Section 224 (16) of the Companies Act 1956 has been obtained from the Auditors.

The Auditors have drawn the attention of shareholders to certain points in the report. Notes to the accounts referred to by the auditors are themselves self explanatory.

PERSONNEL:

Your Directors express their deep appreciation, delication and commitment by the companies employees at all levels and look forward to the continuous co-operation in the future also.

ACKNOWLEDGEMENT:

Your Directors wish to place on record their appreciation of the co-operation received from financial institutions (viz) Sipcot Ltd. and TIIIC Ltd. and Banks (viz) Bank of India, State Bank of India and various government departments.

On behalf of the Board

-Sd-

T.S. Jaishankar
Managing Director

Place: Chennai
Date: 05.9.97