

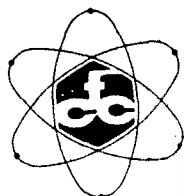
CH IPLUN FINE CHEMICALS LTD

15th

MD	✓		BKC	✓
CS	NA		DPY	NA
RO	✓		DIV	NA
TRA	NA		AC	✓
AGM	✓	✓	SHI	✓
YE	✓	✓		✓

Annual Report

1996-97



CHAIRMAN & MG. DIRECTOR	:	Shri. Arun H. Sukhtankar
VICE CHAIRMAN & DIRECTOR	:	Shri. Chhabildas H. Muchhala
DIRECTORS	:	Shri. Chimanlal H. Muchhala Shri. Ramakant S. Angle Dr. Gundiram B. Ghodke Shri. S. S. Shirolkar Shri. S. Ravindranathan Shri. J. Gopal (Sicom Nominee)
EXECUTIVE DIRECTOR	:	Shri. Nitesh C. Muchhala
AUDITORS	:	Kantee Pokarna & Associates, Chartered Accountants, Mumbai
BANKERS	:	State Bank of India
REGISTERED OFFICE & WORKS	:	E-25, Lote Parshuram, Taluka: khed, Dist: Ratnagiri, Maharashtra 415 722
CORPORATE OFFICE	:	11, Vijay Chambers, Tribhuvan Road, Mumbai - 400 004

As a measure of economy, copies of the Annual Report will not be distributed at the Annual General Meeting. Shareholders are requested to bring their copies to the Meeting.

CH IPLUN FINE CHEMICALS LTD**NOTICE**

NOTICE is hereby given that the 15th Annual General Meeting of the Members of CHIPLUN FINE CHEMICALS LTD., will be held at the Registered Office of the Company at E-25, Lote Parshuram, Taluka : Khed, Dist : Ratnagiri, Maharashtra, on Saturday September 27, 1997, at 10.30 a.m. to transact the following business :

ORDINARY BUSINESS :

1. To receive, consider and adopt the Balance Sheet as at March 31, 1997 and the Profit and loss Account for the year ended as on that date and the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Shri Chimanlal Muchhala, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Shri S. Ravindranathan, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Auditors & to fix their remuneration.

By Order of the Board

Place : Mumbai

ARUN H. SUKHTANKAR

Date : 25th July, 1997

Mg. Director

Registered Office :

E-25, Lote Parshuram, Taluka: Khed, Dist: Ratnagiri, Maharashtra - 415 722

4. For convenience of members, an attendance Slip is annexed to the proxy form. Members are requested to affix their signature at the space provided and hand over the attendance slips at the place of meeting. The proxy of a member should mark on the attendance slip as proxy.
5. If the members have any queries on the Audited Accounts, Directors' Report & Auditors' Report, The same should be forwarded to the Company in writing at its registered office atleast 10 days before the meeting so that the same can be replied at the time of Annual General Meeting to the members' satisfaction.
6. Members are requested to bring their copies of the Reports to Annual General Meeting.
7. Members holding shares in the same set of names under different ledger folios are requested to apply for consolidation of such folios alongwith share certificates to the Company.
8. In order to exercise strict control over the transfer documents, members are requested to send the transfer documents/correspondence, if any, directly to:

Corporate Office :

CHIPLUN FINE CHEMICALS LTD

11, Vijay Chambers, Tribhuvan Road, Mumbai - 400 004

NOTES

1. A member entitled to attend and vote is 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 form should be lodged with the Company at its Registered Office at least 48 hours before the commencement of the Meeting.
The Register of Members and Share Transfer Books of the Company will remain closed from September 20, 1997 to September 27, 1997, both days inclusive.
2. Members are requested to promptly notify any changes in their addresses to the Company at its Registered Office.
3. All documents referred to in the Notice are open for inspection at the Registered Office of the Company during office hours on all days except Saturday, Sunday & Public Holidays between 11.00 a.m. and 1.00 p.m. upto the date of Annual General Meeting.

DIRECTORS' REPORT

Your Directors hereby present the 15th Annual Report alongwith Audited Accounts for the year ended March 31, 1997.

	(Rs. in Lacs)	
	31st Mar 1997	31st Mar 1996
Gross Profit	(5.52)	9.09
Less : Depreciation	19.09	16.28
Net Profit before tax	(24.61)	(7.18)
Less : Amortisation of Exp	16.50	13.55
Balance Profit	(41.11)	(20.74)
Profit/Loss Brought Forward	(28.00)	(7.26)
Profit available for		
Appropriation	(69.11)	(28.00)
Appropriations :		
Bal carried to		
Balance Sheet	(69.11)	(28.00)
	<u>(69.11)</u>	<u>(28.00)</u>

CHIPLUN FINE CHEMICALS LTD

Dividends : Your Directors regret their inability to recommend any dividend due to losses incurred by your Company for the year ended March 31, 1997.

Operations : The Company registered Sales Turnover of Rs.353.60 lakhs against Rs.239.52 lakhs for the previous year, representing an increase of 47.63 out of this, exports amounted Rs. 119.37 Lakhs (\$ 329050) (previous year Rs. 1.29 lakhs \$ 3,100) indicating that Company has been successful in establishing some of its products in the U.S.A. Market.

The Bulk Drug industry continues to be in a depressed state, Company has continued its efforts for development of new products to strengthen its product base.

Directors : Pursuant to Article 41 of the Articles of Associations of the Company Shri Chimanlal Muchhala and Shri S. Ravindranathan retire by rotation at the forthcoming Annual General Meeting and being eligible, offer themselves for re-appointment.

Dr. J. J. Nerurkar resigned as a Director of the Company because of his preoccupation. Board accepted his resignation on Nov. 29th 1996. The Board wishes to place on record its sincere appreciation for the services rendered by him during the formative years of the Company.

Fixed Deposits : The Company has not accepted any deposits from the public within the meaning of section 58A of the Companies Act, 1956 read with the Companies (Acceptance of Deposits) Rules, 1975.

PARTICULARS REGARDING CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE AND OUTGO:

The information required under Rule 2 of the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 relating to the Conservation of energy and technology absorption and Foreign Exchange earnings and outgo forms part of this report and is given by way of an Annexure.

Auditors : M/S. Kantee Pokarna & Associates, Chartered Accountants, Mumbai, retire at the ensuing Annual General Meeting and being eligible, offer themselves for reappointment.

Particulars of Employees : The Company has no employees of the specified categories under Section 217 (2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975

Information under Clause 43 of the Listing Agreement :

(Rs. in Lacs)

Particulars	Projections as per Prospectus dated 07/02/95	Performance as on 31/03/1997
Total Income	2578.95	357.50
Profit after Tax	332.58	(41.11)

Note : Due to depressed bulk drug market, the Company could not achieve the targeted results.

Acknowledgements : The Board of Directors wishes to place on record its sincere appreciation for due co-operation received from the State Bank of India and from SICOM. The Directors are also thankful to the employees at all levels for their continued support.

For and on behalf of the
Board of Directors,

Place : Mumbai
Date : 25th July, 1997

ARUN H. SUKHTANKAR
Mg. Director

ANNEXURE TO DIRECTORS' REPORT

Information in terms of the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules 1988.

A. CONSERVATION OF ENERGY :

Energy conservation features are inbuilt in the plant as reported in the previous years.

B. TECHNOLOGY ABSORPTION :

a) Research and Development : The Company has carried out Research & Development in the form of process innovation & development of new products.

b) Benefits derived : Improvement in process efficiencies and product quality.

c) Future Plan of action : Major thrust in development of new products & processes.

CHIPLUN FINE CHEMICALS LTD**TECHNOLOGY ABSORPTION, ADAPTION & INNOVATION :**

- a. Technical absorption, adaption and Innovation are insured through recruitment of qualified and capable personnel and placing great emphasis on young employees with right aptitudes and giving them appropriate training. Participative and open management style, which encourages idea generations, has greatly facilitated the technology absorption and innovation process.
- b. The benefits derived have been in the form of product development, improved quality, high productivity and lower costs.
- c. The Company has not imported any technology so far.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO :

Earnings : \$3,29,050 Outgo : \$1,85,085

For and on behalf of the
Board of Directors,

Place : Mumbai ARUN H. SUKHTANKAR
Date : 25th July, 1997 Mg. Director

ANNEXURE - FORM A

Form for disclosure of particulars with respect to conservation of energy.

A. Power and fuel consumption	Current Year	Previous Year
	1996-97	1995-96
1. Electricity Unit (KWH)	300,118	320,690
Total Amount (Rs)	10,84,605	10,25,184
Rate/Unit (Rs)	3.61	3.20
2. LDO Quantity (Litre)	158,048	1,17,710
Total Amount (Rs)	13,03,340	8,24,197
Rate/Litre	8.24	7.00

For and on behalf of the
Board of Directors,

Place : Mumbai ARUN H. SUKHTANKAR
Date : 25th July, 1997 Mg. Director

AUDITORS' REPORT

To the Members of

CHIPLUN FINE CHEMICALS LTD

We have audited the attached Balance Sheet of Chiplun Fine Chemicals Ltd as at 31st March, 1997 and the Profit and Loss Account 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 annexe hereto a statement on the matters specified in paragraphs 4 & 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 Account as required by Law have been kept by the Company so far as it appears from our examination of the Books;
 - c. The Balance Sheet and Profit & Loss Account referred to in this Report, are in agreement with the Books of Account;
 - d. In our opinion and to the best of our information and according to the explanations given to us, the said Accounts, read together with the notes thereon, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view :
 - i) In case of the Balance Sheet, of the State of Affairs of the Company as at 31st March, 1997 and
 - ii) In case of the Profit & Loss Account, of the LOSS of the Company for the year ended on that date.

For KANTEE POKARNA & ASSOCIATES
Chartered Accountants

Place : Mumbai KANTEELAL POKARNA
Dated : 25th July, 1997 Proprietor