

# TENTH ANNUAL REPORT 1997

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



*Shilpa Antibiotics Limited*



# SHILPA ANTIBIOTICS LIMITED



## BOARD OF DIRECTORS

**NATHMAL INNANI**

Chairman

**OMPRAKASH INNANI**

Director

**KAMAL KISHORE INNANI**

Director

**PREMSUKH BHUTADA**

Director

**VISHNUKANT BHUTADA**

Managing Director

## AUDITORS

**Pushparaj Bhandari & Company**

Chartered Accountants

Raichur

## REGISTERED OFFICE

10/80, 1st Floor, Rajendra Gunj,

Raichur - 584 102

**S H I L P A   A N T I B I O T I C S   L I M I T E D****SHILPA ANTIBIOTICS LIMITED****NOTICE**

Notice is hereby given that the Tenth Annual General Meeting of **SHILPA ANTIBIOTICS LIMITED** will be held on Tuesday 16th sept.97 at 2.00 P.M. at the Registered office of the Company to transact the following business.

1. To receive, consider and adopt the Audited accounts for the period ended 31st March, 1997 and the report of the Directors and the Auditors thereon.
2. To appoint a Director in place of Sri. Omprakash Innani, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Sri. Premasukh Bhutada, who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the company and to fix their remuneration.

**BY ORDER OF THE BOARD****(VISHNUKANTH BHUTADA)****Managing Director**

**NOTE :** A member entitled to attend and vote is entitled to appoint a Proxy and vote instead of himself and the proxy need not be a member of the company..

Date : 29th June, 1997.

Place : Raichur.



# SHILPA ANTIBIOTICS LIMITED

## DIRECTOR'S REPORT

Dear Share Holders,

Your Directors have pleasure in presenting the 10th Annual Report and the Audited Accounts of the Company for the period ended 31st March 1997.

### Financial Result :

(Rs. in Lakhs)

<u>PARTICULARS</u>	01.10.95 to 31.03.97 (Eighteen Months)	30.09.95 (Twelve Months)
Income from operation	1476.97	768.35
Other Income	52.79	12.53
Gross Profit/Loss (Before Interest & Depreciation)	87.06	104.24
Less : 1. Interest	44.59	18.83
2. Depreciation	37.20	18.15
Profit Before Taxes	5.27	67.26
Provision for Taxes	—	—
Profit After Taxes	5.27	67.26

**Change of accounting year :** The Company has changed its accounting year from Oct. Sept. to Apr-Mar. after obtaining permission from the Registrar of Companies in order to fall in line with the accounting year by all Govt. Departments.

**Operation & Overall Performance :** The Company was able to achieve higher turnover of Rs. 1476.97 Lakhs (for 18 Months) as against Rs. 768.35 lakhs of the previous year ended 30.09.95 i.e, a growth of 28.15% annualised. However the Margin in Pharmaceuticals Industry in general & Bulk Drug in particulars were under stress & inspite of all controls and optimum product mix the overall profitability of the company was severally effected. The Input cost of Raw materials, Power and fuel & together with high interest outgo and larger provision for depreciation couldn't be passed on with the sales in view of depressed market condition. Against all odd your company was able to break even due to increase in exports turnover to Rs. 4,17,00,441/- (1,07,89,545/-).

The Performance was also effected due to non realisation of money on Partly Paid Shares due to which the Projects of Company were delayed and Interest burden increased among other reasons.

The Company is maintaining its efforts for larger exports in the current year as well.

**Future Outlook :** The Company with its increase research & development was able to produce new bulk drugs which are readily accepted in the local markets & the management is hopeful of better working bearing unforeseen circumstances.



# SHILPA ANTIBIOTICS LIMITED

The Company is also exploring new market viz., Japan & U.S.A.

**Dividends :** In light of depressed & insufficient profits, your directors are unable to recommend any dividend.

**Insurance :** All the properties of the company have been properly insured.

**Conservation of Energy etc. :** Information in pursuance of section 217(1) E of the Companies Act 1956 & with rule 2 of the Companies (disclosure of particulars in the report of Board of Directors). Rule 1988 is Annexed & forming part of this report.

**Auditors :** M/s. Pushparaj Bhandari & Co., Chartered Accountant, Raichur, existing Auditor of the Company retires at the ensuing Annual General Meeting & eligible for reappointment.

**Directors :** Sri. Premasukh Bhutada & Sri. Omprakash Innani retires by rotation & being eligible after themselves for reappointment.

The Comments of the Auditors are self explanatory

**Particulars of Employees :** Statement required u/s. 217(2A) of the Companies Act 1956 is given here under :

Name & Designation	Qualification	Gross Salary	Date of Joining	Age	Experience	Last Employment
Sri. B. Vishnukanth	B. Pharma	5,05,189	Since incorporation	37 Yrs	09	Self Employed

## PROJECTION VS. PERFORMANCE :

The Company has given the following projections as per Prospectus dated 23rd Feb. 1995.

Particulars	Rs. in Lakhs		
	Actual Performance for the period ended 31st March 1997 (18 months)	Annualised	Projection for the Year ended 30.09.1996 (12 months)
1. Total Income	1476.97	984.65	1670.71
2. Profit before interest Depreciation & Taxes	87.06	58.04	260.71
3. Profit before Taxes	5.38	3.59	166.93
4. Profit after Tax	5.38	3.59	151.06
5. E.P.S.	0.18	0.12	5.04
6. Dividend	Nil	Nil	15%

**Conclusion :** The Directors wish to thank financial institution, Company's Bankers for the assistance extended. The Directors thank the share holders who have reposed their confidence in the management. The directors record the appreciation for the employees of the company.

# SHILPA ANTIBIOTICS LIMITED



## ANNEXURE ATTACHED TO DIRECTOR'S REPORT

The Company has taken all possible measures in optimizing the use of power & energy Consumption.

### Power & Energy

Electricity	Current Period (18 Months)	Previous period (12 Months)
a) <u>Purchased</u>		
Units	2,94,430.00	3,30,800.00
Total Amount of Duty	8,33,069.00	6,76,375.00
Rate / Unit	2.83	2.04
b) <u>Own Generation :</u>		
Through Diesel Generator set		
(Qty of Diesel in lits)	1,24,203.00	4,033.00
Value	10,67,439.00	35,213.00
Per litre of Diesel	8.59	8.73
c) <u>Fire wood:</u>		
Quantity (Kgs)	4,89,316.00	5,23,765.00
Value	2,71,849.00	2,10,895.00
Rate / Kg	0.56	0.40

### Earnings and outgo in Foreign Exchanges

A) Total Direct Exports for the period	4,17,00,441.00	1,07,89,545.00
B) i. Total Direct Import	70,24,060.00	1,26,76,599.00
ii. Expenditure in Foreign Currencies on Foreign Travels	11,672.00	22.708.00

**S H I L P A   A N T I B I O T I C S   L I M I T E D****BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE****III****(i) Registration Details :**

Registration No. 8739 State Code : 08

Balance Sheet Date 31st March 1997.

**(ii) Capital Raised During the Period**

Public Issue : Nil

Rights Issue : Nil

Private Placement : Nil

**(iii) Position of Mobilisation of Deployment of funds**

Total Liabilities	Total Assets
9,61,00,818	9,61,00,818

**Source of Funds**

Paid up Capital	Reserves & Surplus	Loan Funds (Secured & Unsecured)
2,64,86,750	3,93,78,214	1,58,85,449

Current liabilities and provisions  
1,43,50,405

**Application of Funds**

Net Fixed Assets	Investments	Miscellaneous Expenditure
3,16,61,888	1,05,000	28,20,005

Current Assets  
6,15,13,925

**(iv) Performance of the Company**

Turnover & Other Income	Total Expenditure (Net)
15,29,76,112	15,24,49,091

Profit Before Tax	Profit After Tax
5,27,021	5,27,021

Earning/Share	Dividend
0.17	-Nil-

Earning per Share is arrived on dividing the income (Profit after Tax) by No. of Shares issued (including) partly paid up as on the Balance Sheet Date

**Generic IDC Codes of Products Used**

Name of Product	IDC Code	Turnover
Sulphamethaxazole B.P.	2935-00	2,65,09,472
Trimethoprim - B.P.	2941.90	2,48,68,997



# SHILPA ANTIBIOTICS LIMITED



## AUDITOR'S REPORT

To,  
The Members of Shilpa Antibiotics Ltd.

We have Audited the Attached Balance Sheet of Shilpa Antibiotics Limited as at 31st March, 1997 and the Annexed Profit & Loss Account of the Company for the period ended on that date and Report as under :

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 .:

Further to our comments in the Annexure referred to 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 Audit.
- b) The Balance Sheet and Profit & Loss Account dealt by this Report are in agreement with the Books of Account of the Company.
- c) In our opinion, proper Books of Account as required by Law, Subject to our comments in para 1 of the Annexure to our Report, have been kept by the Company so far as it appears from our examination of those Books.
- 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 Contingent Liabilities, Significant Accounting Policies and other Notes elsewhere in the Accounts and subject to Note No. II (ix) in respect of non-provision of liability of Rs. 1,04,340 towards Gratuity payable to the eligible employees of the Company which is a deviation from the Accounting Standards prescribed by the Institute of Chartered Accountants of India, gives 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 31st March, 1997. and
  - ii) In the case of the Profit & Loss Account, of the Profit of the Company for the year ended on that date.

for **Pushparaj Bhandari & Co.,**  
Chartered Accountants

Place : Raichur  
Date : 29th June 1997

**(P.M. BHANDARI)**  
Proprietor