

TWELTH ANNUAL REPORT 1999



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

Report  Junction.com

AUDITORS

Pushparaj Bhandari & Company

Raichur

REGISTERED OFFICE

10/80, 1st Floor, Rajendra Gunj,

Raichur - 584 102.

SHILPA ANTIBIOTICS LIMITED



NOTICE

Notice is hereby given that the Twelfth Annual General Meeting of the members of **SHILPA ANTIBIOTICS LIMITED** will be held on 7th Sep. 1999 at 12.30 p.m. at the registered office of the company to transact the following business :

ORDINARY BUSINESS :

1. To consider and adopt the Audited Balance Sheet at 31st MARCH, 1999, Profit and Loss Account for the year ended on that date and the Reports of the Board of Directors and the Auditors there on.
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. Premnukh Bhutada who retires by rotation and being eligible, offers himself for re-appointment.
4. To Appoint Auditors who shall hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and authorise the Board of Directors to fix their remuneration.

SPECIAL BUSINESS :

5. To consider and if thought fit to pass with or without modification the following resolution as an ordinary resolution :

"Resolved that pursuant to the provisions of section 198, 269, 309 read with Schedule XIII and all other applicable provisions of the Companies Act, 1956 (Including any Statutory modification or re-enactment thereof for the time being in force) the consent of the Company be and is hereby accorded to the reappointment of Sri. Vishnukanth C. Bhutada as the Managing Director of the Company for a period of 05 (Five) years with effect from 1st of October, 1999 on the Remuneration including Minimum Remuneration in the event of absence or inadequacy of profits as mentioned in the explanatory statement annexed to the Notice of Annual General Meeting."

Registered Office :
10/80, Rajendra Gunj,
Raichur - 584 102.

BY ORDER OF THE BOARD

(VISHNUKANTH C. BHUTADA)
Managing Director

Dated : 17-07-99

SHILPA ANTIBIOTICS LIMITED



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
2. *Members / proxies should bring the Attendance Slip duly filled in for attending the meeting.*
3. All documents referred to in the accompanying Notice are open for inspection at the Registered Office of the Company during office hours on all working days, except Saturdays, between 11.00 a.m. and 1.00 p.m. upto the date of the Annual General Meeting.
4. The Register of Members and the Transfer Books of the Company will remain close from 6th September to 8th September, 1999 (both the days inclusive).
5. Shareholders seeking any information with regards to Accounts are requested to write to the Company atleast 5 days in advance so as to enable the Management to keep the information ready.

EXPLANATORY STATEMENT UNDER SECTION 173(2) OF THE COMPANIES ACT, 1956 :

ITEM NO. 5 :

The present term of Office of Sri. Vishnukanth C. Bhutada, Managing Director of the Company will be expiring on 30th September, 1999.

The Board of Directors have resolved to reappoint Sri. Vishnukanth C. Bhutada for a period of 5 year (Five) effective 1st September, 1999 on the terms and conditions as under :

THE MANAGING DIRECTOR SHALL BE ENTITLED TO THE FOLLOWING:

1. **SALARY :** Rs. 30,000/- (Rupees Thirty Thousand only)
2. **PERQUISITES :**
 - i) Furnished / unfurnished residential accommodation or House Rent Allowance of 50% of Salary in lieu thereof. The expenditure incurred by the Company on Gas, Electricity, Water and furnishings shall be valued as per Income Tax Act, 1961.
 - ii) Medical re-imbursment for self and the family subject to a ceiling of one month salary in a year or three months salary over a period of three years.
 - iii) Leave Travel concession for self and the family once in a year incurred in accordance with company's rules.
 - iv) Club fees subject to a maximum of two clubs, this will not include admission and life membership fees.
 - v) Personal Accident Insurance premium not be exceed Rs. 4,000/- per annum.
 - vi) Contribution to Provident Fund, Superannuation Fund or Annuity Fund to the extent these either singly or put together are not taxable under Income Tax Act, 1961.

SHILPA ANTIBIOTICS LIMITED



- vii) Gratuity payable at a rate not exceeding half a months salary for each completed year of services.
- viii) Encashment of leave at the end of the tenure.
- ix) Provision of a Car for use on company's business and Telephone at residence will not be considered as perquisites, personal long distance calls on Telephone and use of Car for Private purpose shall be billed by the company.
- x) Such other benefits amenities and facilities as per the Company's rules.

The remuneration whether by way of Salary & Perquisites payable to the Managing Director & Wholetime Director will not exceed the limits prescribed under the Companies Act, 1956 and the Rules made thereunder or any statutory modification or re-enactment thereof.

In the event of absence or inadequacy of profits in any financial year the remuneration by way of salary, allowances and perquisites payable to the Managing Director & Wholetime Director will not exceeds the limits prescribed under the companies Act, 1956 and the Rules made thereunder or any statutory modification or re-enactment thereof.

Apart from Sri. Vishnukanth C. Bhutada and Sri. Premasukha C. Bhutada none of the other Directors are concerned or interested in the above appointment and remuneration payable thereto.

Registered Office :
10/80, Rajendra Gunj,
Raichur - 584 102.

BY ORDER OF THE BOARD

(VISHNUKANTH C. BHUTADA)
Managing Director

Dated : 17-07-99

SHILPA ANTIBIOTICS LIMITED**DIRECTOR'S REPORT**

Dear Share Holders,

Your Directors have pleasure in presenting 12th Annual Report & Audited Accounts of the Company for the year ended 31st March, 1999.

FINANCIAL RESULTS

PARTICULARS	(Rs. in Lakhs)	
	Current Year	Previous Year
Income from operation	1,327.63	993.67
Other Income	86.25	42.84
Gross Profit / (Loss) (Before Interest & Dep.)	66.19	(7.70)
Less : (1) Interest	(28.31)	(12.97)
(2) Depreciation	(31.21)	(29.91)
Profit / (Loss) Before Taxes	6.67	(50.58)
Less : Provision for Taxes	0.75	—
Profit / (Loss) After Taxes	5.92	(50.58)

Operation & Overall Performance :

The company was able to achieve a turnover of Rs. 1327.63 Lakhs as against Rs. 993.67. Thus there being growth of 33.6% during the current year. Industrial production in general & Bulk Drugs industry in particular has still not come out of recessionary trend. The overall low realisation of prices & high input cost resulted in severe pressure on operating margins.

In spite of such adverse conditions, your company is making every effort to maximise operating margin by changing product mix, tapping new markets & increasing its exports. During the year the company's exports at Rs. 403.26 Lakhs as against Rs. 198.53 Lakhs i.e. to say the exports have been more than doubled.

Future Outlook : The present industrial production, exports & general economical scenario is showing signs of recovery & poised to take-off for overall improvement bearing unforeseen constraints.

Dividends : Due to insufficient profits & to consolidate financial position of the company, the Directors are unable to recommend any dividends.

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 read with Rule 2 of the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1998 is Annexed and form part of this report.

SHILPA ANTIBIOTICS LIMITED



Auditors : M/S. Pushparaj Bhandari & Co., Chartered Accountants, Raichur, existing Auditor of the company retires at the ensuing Annual General Meeting and are eligible for reappointment.

Directors : Sri. Premasukh Bhutada & Omprakash Innani retire by rotation and being eligible offer them selves for reappointment.

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

Name & Designation	Qualification	Gross Salary	Date of joining	Age	Experience	Last Employment
Sri. B. Vishnukanth	B.Pharm	Rs. 4,50,000	Since incorporation.	39 Yrs.	11 Yrs.	self Employed

The Company doesn't foresee any Y2K problems as none of the activities of the Company are individually dependent on data processing system alone.

Appreciation : Your Company and its Directors sincerely thanks to the Financial Institutions, company's Bankers for their continuing co-operation and assistance. The Directors thank the shareholders who have reposed their confidence and the dedicated efforts put in by employees of the Company at all levels.

Report

junction

FOR AND ON BEHALF OF BOARD OF DIRECTORS
SHILPA ANTIBIOTICS LTD..

B. VISHNUKANTH
MANAGING DIRECTOR

Place : RAICHUR
Dated : 17-07-99