

THIRTEENTH ANNUAL REPORT 2000



Shilpa Antibiotics Limited

SHILPA ANTIBIOTICS LIMITED



BOARD OF DIRECTORS

NATHMAL INNANI

Chairman

OMPRAKASH INNANI

Director

PREMSUKH BHUTADA

Director

KAMAL KISHORE INNANI

Director

RAJENDRA KABRA

Director

VISHNUKANT BHUTADA

Managing Director

K. SHARATH REDDY

Whole Time Director

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 thirteenth Annual General Meeting of the members of **SHILPA ANTIBIOTICS LIMITED** will be held on 30th Sep 2000 at 10.45 A.M. at the registered office of the company to transact the following business:

ORDINARY BUSINESS:

1. To consider and adopt the Audited Balance Sheet as at 31st MARCH 2000, Profit and Loss Account for the year ended on that date and the Report of the Board of Directors and the Auditors thereon.
2. To Appoint a Director in place of Sri.Nathmal Inani who retires by rotation and being eligible, offer himself for re-appointment.
3. To Appoint a Director in place of Sri. Kamalkishore Inani, who retires by rotation and being eligible, offer himself for re-appointment.
4. To Appoint a Director in place of Sri.Rajendra Kabra who was appointed as director and holds office upto the date of the ensuing Annual General Meeting of the Company. And is eligible for re-appointment and in respect of whom the Company has received a notice in writing from a member under the provisions of section 257 of the Companies Act, 1956 proposing his candidature for the office of a Director.
5. 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.
6. To consider and if thought fit to pass with or without modification the following resolution as **ordinary resolution:**

"Resolved that pursuant to the provisions of section 269,309.314 read with Schedule XIII and all other applicable provisions of the companies act,1956 the consent of the company is hereby accorded to the appointment of Sri.K.Sharath Reddy as the whole time Director of the company for a period of Three (03) year with effect from 27th Sep, 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"

BY ORDER OF BOARD OF DIRECTORS

RAICHUR
DATED : 27-07-2000

(VISHNUKANTH .C. BHUTADA)
Managing Director.

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. Member/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 29th Sep. to 1st Oct. 2000 (both days inclusive)

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

ITEM NO: 5:

Sri.K.Sharath Reddy who is already working with the company was appointed as a whole time director by The Board of Directors for a period of 3(three) years effective 27th Sep.1999 subject to the approval of the members at the General Meeting on the terms and conditions as under and with the power to Board to vary the terms and conditions on periodical review in respect of increments.

1.SALARY: Basic & D.A. Rs. 6,500/- P.M.

2.PERQUISITES:

- i) House Rent Allowance of Rs. 2,600/- P.M.
- ii) Medical re-imburement for self and the family subject to a ceiling of one month salary in a year.
- iii) Contribution to Provident Fund to the extent that are not taxable under Income Tax Act,1961.
- iv) Gratuity payable at a rate not exceeding half a months salary for each completed year of service.
- v) Such other benefits amenities and facilities as per the company's rules.
- vi) The agreement is subject to termination by both the parties by giving one month prior notice.

The remuneration payable to managing director and whole time director will not exceed the limits prescribed under the Companies act, 1956 and the rules made there under or any statutory or reenactment there of.

In the event of absences or in adequacy of profits in any financial year the remuneration by way of salary, allowances and perquisites payable to the managing director and whole time director will not exceed the limits prescribed under the Companies act,1956 and the rules made there under or any statutory modification or reenactment thereof.

SHILPA ANTIBIOTICS LIMITED

A part from Sri. K. Sharath Reddy none of the other directors are concerned or interested in the above appointment and remuneration payable to Sri. K. Sharath Reddy.

BY ORDER OF BOARD OF DIRECTORS

RAICHUR
DATED : 27-07-2000

(VISHNUKANTH .C. BHUTADA)
Managing Director.

INFORMATION REQUIRED TO BE FURNISHED UNDER THE LISTING AGREEMENT

As required under the listing agreement, the particulars of directors who are proposed/reappointed are given below.

- | | | |
|----|---------------|--|
| 1. | Name | Sri. Nathmal Innani |
| | Age | 50 years |
| | Qualification | Under graduate |
| | Experience | In Business and Trade for over 28 years. |

Chairman of the company since incorporation that is 20-11-1987.

OTHER DIRECTORSHIPS

<u>Name of the Company</u>	<u>Position held</u>
a. Bhakara investment pvt limited	Director
b. Armarick investment pvt limited	Director

2.	Name	Sri. Kamalkishore Innani
	Age	42 years
	Qualification	Under graduate
	Experience	In Business and Trade for over 20 years.

Director of the company since incorporation that is 20-11-1987.

OTHER DIRECTORSHIPS

<u>Name of the Company</u>	<u>Position held</u>
a. Bhakara investment pvt limited	Director

3.	Name	Sri. Rajendra Kabra
	Age	38 years
	Qualification	Under Graduate
	Experience	In Business and Trade for over 18 years.

Director of the company since 27-09-1999.

OTHER DIRECTORSHIPS

<u>Name of the Company</u>	<u>Position held</u>
a. Shilpa Finvest pvt limited.	Director

4.	Name	Sri. .K. Sharath Reddy
	Age	33 years
	Qualification	M Pharma
	Experience	Production Manager for over 6 years in the Company

Director of the company since 27-09-1999.

OTHER DIRECTORSHIPS

NIL

SHILPA ANTIBIOTICS LIMITED**DIRECTOR'S REPORT**

The Director's have pleasure in presenting their annual report and accounts for the year ended 31-03-2000.

FINANCIAL RESULTS:

	<u>1999-2000</u> (Rs in lakhs)	<u>1998-99</u> (Rs in lakhs)
Profit before depreciation, interest and tax	108.04	66.19
Less: Interest	(23.23)	(28.31)
Depreciation	(32.99)	(31.21)
Profit before taxes	51.82	6.67
Less: Provision for taxes	(15.25)	(0.75)
Profit after taxes	36.57	5.92
Less: Prior Period Adjustment	(6.47)	(0.62)
Profit for the year	30.10	5.30
Add: Profit b/f	<u>50.27</u>	<u>44.97</u>
Balance available for disposal which the directors appropriate as under		
a. General reserve	80.37	50.27
b. Interim dividend	(4.00)	--
c. Dividend tax	(26.49)	--
	(2.91)	--
Balance to be carried forward	46.97	50.27

YEAR IN RETROSPECT

The sales and other income for the financial year under review were at rupees 1753.76 Lakhs .As against rupees 1413.88 Lakhs for the previous financial year, an increase of 24% percentage The profit before tax of Rupees 51.82 and Net profit of Rupees 36.57 For the financial year under report as against rupees 6.67 And 5.92 respectively for the previous financial year is an appreciation by 777% & 618% percentage respectively, despite no significant improvement of Bulk drug Industry in General. This improvement in result is due to periodical review of product mix, strict cost control measures and addition of new products.

FUTURE OUT LOOK

The future of Bulk drug Industry depends upon change of product mix, in house research and development and increase in over all productivity coupled with cost management. Your company is taking all possible measures to strengthen all these areas of management and barring unforeseen circumstances the performance in the current year would be satisfactory .During the year the company made an export of Rupees. 647.62 Lakhs as against Rupees 403.26 lakhs of the previous year.

SHILPA ANTIBIOTICS LIMITED**DIVIDEND**

Interim dividend in respect of financial year 1999-2000 at rupees one per share of rupees 10 each i.e 10% to be paid to the equity share holder of the company whose name appeared in the register of the members as on 25-04-2000 will observe Rupees 26.49 lakhs and tax on dividend Rupees 2.91 lakhs Aggregating to 29.4 lakhs as total outgo.

INSURANCE

All the properties of the company have been properly insured.

AUDITOR'S REPORT: The observations of the Auditors read with notes to accounts are self explanatory.

DIRECTORS

Sri. Nathmal Innani and Sri. Kamalkishore Innani retires by rotation and are eligible for reappointment. Sri. Rajendra Kabra and Sri. K. Sharath Reddy were appointed as Director and whole time Director respectively during the year and will hold Office up to date of ensuing Annual General Meeting and are eligible for reappointment.

DISCLOSURE OF PARTICULARS

Information as per the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 relating to conservation of energy, technology absorption, foreign exchange earning and outgo are given in Annexure 'A' forming part of this report.

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.

APPRECIATION: Your Company and its Directors sincerely thanks to the company's Bankers for their continuing co-operation and assistance. The Board of Directors wishes to express its appreciation to all the employees of the company for their outstanding contribution during the year. The Directors thanks the shareholders who have reposed their confidence.

For and on behalf of Board of Directors

RAICHUR
DATED : 27-07-2000

(VISHNUKANTH .C. BHUTADA)
Managing Director.