

# **FOURTEENTH ANNUAL REPORT 2001**



*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 Fourteenth Annual General Meeting of the members of SHILPA ANTIBIOTICS LIMITED will be held at 10.45 A.M. on Saturday, September 29, 2001 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 31<sup>st</sup> MARCH 2001, 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.Omprakash Inani who retires by rotation and being eligible, offer himself for re-appointment.
3. To Appoint a Director in place of Sri.Premsookh Bhutada, who retires by rotation and being eligible, offer 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.
5. To consider and if thought fit to pass with or without modification the following resolution as **Special Resolution**

"RESOLVED THAT subject to the approval of Central Government in terms of Sec.21 and other applicable provisions of the Companies Act, 1956 and subject to approval of other Regulatory Authorities, the name of the company be and is hereby changed from SHILPA ANTIBIOTICS LTD. To SHILPA MEDICARE LIMITED.

RESOLVED FURTHER THAT the name of Shilpa Antibiotics Ltd. Where ever occurs in the Memorandum and Articles of Association of the Company be substituted by the new name Shilpa Medicare Limited.

RESOLVED FURTHER THAT the directors of the company be and are hereby severally authorised to do all such acts and deeds as are necessary to give effect to the resolution."

6. To consider and if thought fit, to pass with or without modification, the following resolution as a **Special Resolution:**

"RESOLVED THAT pursuant to the provisions of section 31 and all other applicable provisions, if any of the Companies Act, 1956, the Articles of Association of the Company be and are hereby modified and altered to the extent and the manner as hereinafter stated"

- 1) IN the existing Article 2, after the interpretation of the word "Seal" the following words and figures shall be inserted

**SHILPA ANTIBIOTICS LIMITED**

SHILPA ANTIBIOTICS LIMITED is a public limited company registered in India under the Companies Act, 1956.

"Beneficial Owner" means beneficial owner as defined in section 2 of the Depositories Act 1996

"Depository" means the depository as defined in section 2 of the Depositories Act 1996

"Registered Owner" means a Registered owner as defined in section 2 of the Depositories Act 1996

"Depositories Act 1996" means and includes any statutory modification or reenactment thereof for the time being in force.

"Securities And Exchange Board Of India" means the Securities And Exchange Board of India established under section 3 of the Securities And Exchange Board of India Act 1992

The following para be inserted before the end of Article 2 in place of sub.clause (6) of Article 2

"PROVIDED THAT the words or expressions used in these Articles and not defined in the Act but defined in the Depositories Act 1996 shall have the same meaning respectively assigned to them in that Act."

That the under noted new Article as Article 16 Be substituted for the existing Article 16

"Power to Company To dematerialise, re-Materialise and number ing thereon"

That notwithstanding anything as herein contained, the company shall be entitled to dematerialise or rematerialise its shares, debentures and any other securities (both existing and future) Pursuant to Depositories Act 1996 and to offer its shares, debentures and other securities for subscription in a dematerialised form. The shares in the Capital be numbered progressively according to Their several denominations provided however that the provisions relating to progressive numbering shall not apply to the shares of company which are dematerialized or may be dematerialised in future or issued in future in materialised form.

That the under noted new Article as Article 24 be substituted for the existing Article 24.

" Company not bound to registered any interest in share other than that of registered holder or beneficial Owner "

Except as order by court of Jurisdiction or as required by law, the company shall be entitle to treat the person whose name appeared on register of the members as the holder of any share or where the name appears as the beneficial owner of share in the records of the depository as the absolute owner, thereof and accordingly shall not be bound to recognised any benami Trust or equitable, contingent, future, or parcel interest in any shares, or (Except only as is by these articles otherwise expressly provided ) any right in respect of a share other than an absolute right thereto, in accordance with these articles on the part of any person whether or not it shall however express or implied noticed thereof, but the board shall be at liberty at its sole discretion to register any share in joint names of any two or more persons or the survivor or survivors of them.

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## SHILPA ANTIBIOTICS LIMITED



That the existing article 17 (1) be modified by adding at the end thereof the following provisions:

"PROVIDED HOWEVER No share Certificate(s) shall be issued for share held by a depository "

That existing article 59 be modified by adding after the words " relative Share certificates" Appearing in third line thereof the following words viz. " except in case of transfer of securities effected by the transferor and the transferee both of are entered as beneficial owners in the records of depository "

That the existing articles 76 be modified by adding in the end of the clause the following words viz. "in material form"

"Nomination of shares" That after the existing articles 76, the following shall be inserted as new article 76 A.

"76A Notwithstanding any thing contained in these article, or the Act, every holder of share in or holder of debenture of the company may, at any time, nominate, in the prescribed manner in pursuance of the provisions of section 109A of the Act, a person to whom his shares in or debentures of the company shall vest in the event of his death and where the shares or in debentures of the company are held by more than one person jointly, the joint holders may together nominate in the prescribed manner a person to whom All the rights in the shares in or debentures of the company shall vest in the event of death of all the joint holders."

That after the new articles 76A, the following shall be inserted as new article 76 B

." Specific beneficial provision  
Of Companies Act, 1956, not to  
apply to Depository"

"76B. On the shares, debentures and securities held by Depository on behalf of the beneficial owners as defined in the Depositories Act, 1996 the provisions of Section 153, 153A, 153B, 187B, and 187C of the Act Shall not apply."

For and on behalf of Board of Directors.

Place: Raichur.  
Date: 14-06-2001

(VISHNUKANTH 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. A proxy in order to be effective must be received at the Company's Registered Office not less than 48 hours before the time of holding the meeting.
3. Member/proxies should bring the Attendance Slip duly filled in for attending the meeting.
4. 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.
5. The Register of Members and the Transfer Books of the Company will remain close from 28<sup>th</sup> Sep. to 1<sup>st</sup> Oct. 2001 (both days inclusive)

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

ITEM NO: 5: The Company is engaged in production of different types of Bulk drug wherein Antibiotics is one such Bulk Drug and is not confined to Antibiotics alone. The Company is also exporting significantly in the Developed Countries. The word "ANTIBIOTICS" gives a Narrow out look and therefore there has been necessity of change of name to give a realistic out look of the company's activity.

The proposal requires approval of the shareholders by way of special resolution and the Central Government in terms of Sec. 21 of the Companies Act, 1956.

The directors recommend the resolution for adoption.

None of the directors is interested or concerned in the resolution.

ITEM NO.6. In view of the promulgation of the Depositories Act, 1996 it has become incumbent to amend the provisions of the Articles of Association of the company on the lines and in details as stated in the resolution. The proposed resolution seeks to bring the clarity and conformity with the Depositories Act, 1996. The Board of Directors recommends the passing of the Resolution. None of the Directors is interested or concerned in the passing of the said resolution.

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# SHILPA ANTIBIOTICS LIMITED



## 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. Om Prakash Inani                    |
|    | Age           | 47 years                                 |
|    | Qualification | Commerce Graduate                        |
|    | Experience    | In Business and Trade for over 25 years. |

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

## OTHER DIRECTORSHIPS

- |    | Name of the Company             | Position held |
|----|---------------------------------|---------------|
| a. | Bhakara investment Pvt. limited | Director      |
| b. | Daniel Investments Pvt. Ltd.    | Director      |
| c. | Shilpa Organics (P) Ltd.        | Director      |
- 
- |    |               |  |
|----|---------------|--|
| 2. | Name          | Sri.Premasukh Bhutada                    |
|    | Age           | 60 years                                 |
|    | Qualification | Under graduate                           |
|    | Experience    | In Business and Trade for over 35 years. |

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

## OTHER DIRECTORSHIPS

Nil

For and on behalf of Board of Directors.

Place: Raichur.  
Date: 14-06-2001

**(VISHNUKANTH BHUTADA)**  
Managing Director.

**SHILPA ANTIBIOTICS LIMITED****DIRECTORS REPORT**

The Directors have pleasure in presenting their annual report and accounts for the year ended on 31-03-2001

**FINANCIAL RESULTS:**

	<u>2000-2001</u> (Rs in lakhs)	<u>1999-2000</u> (Rs in lakhs)
Profit before depreciation, interest and tax	124.04	108.04
Less: Interest	[22.42]	[23.23]
Depreciation	[35.72]	[32.99]
Profit before provision.	65.90	51.82
1) Provision for Extra Ordinary Contingency I.e., diminution in value of Investments.	[16.13]	—
2) Provisions for Taxes	[28.00]	[15.25]
Profit after taxes	21.77	36.57
Less: Prior Period Adjustment	1.50	6.47
	20.27	30.10
Add: 1) Transferred from Investment Allowance Reserve (utilised) A/c.	7.15	—
2) Profit b/f from earlier year	46.97	50.27
Profits available for appropriation to which the directors propose to appropriate as under:	74.39	80.37
a. Transfer to General reserve	[7.00]	[4.00]
b. Proposed Dividend @ 10% on paid up capital	[26.87]	—
c. Interim Dividend	—	[26.49]
d. Dividend tax	[2.74]	[2.91]
Balance carried to B/S.	37.78	46.97

**YEAR IN RETROSPECT**

The sales and other income for the year under report is up by 14.48% at Rs.2007.79 lakhs against Rs. 1753.76 Lakhs of last year.

The profit before tax and extra ordinary provision charged to Profit & Loss A/c is up by 27.13% at Rs.65.90 Lakhs as against Rs.51.82 Lakhs.

However, the Net Profit is lower by 40.47% at Rs.21.77 Lakhs as against Rs.36.57 Lakhs mainly on two counts viz: 1) Provision for diminution in value of investments to the extent of Rs.16.13 Lakhs and higher provision for tax at Rs.28 Lakhs as against Rs.15.25 Lakhs of last year.



## SHILPA ANTIBIOTICS LIMITED



The provision for permanent diminution in the cost of investment has been done to comply with Accounting Standards. With this background, the results for the year are satisfactory.

During the year the Company has made an export of Rs.678.17 Lakhs as against Rs.547.83 Lakhs of last year.

### **FUTURE OUT LOOK**

The future of Bulk drug Industry depends on change of product mixe, 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.

The Company has finalised a Joint venture abroad i.e.,USA in the year 2000-2001 viz. Grand Trans America with a 48% holding involving an Investment of Rs. 11,30,400. This Joint venture will strengthen in Marketing ability of the Company.

### **DIVIDEND**

Proposed dividend in respect of financial year 2000-2001 at rupees one per share of rupees 10 each i.e 10% to be paid to the equity share holder if approved as on record date will absorbs rupees 26.87 Lakhs and tax on dividend Rupes 2.74 Lakhs Aggregating to 29.61 Lakhs as total outgo.

### **INSURANCE**

All the properties of the company have been properly insured.

### **DIRECTORS**

Sri Omprakash Inani and Sri Premsukh Bhutada retires by rotation 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.