

FIFTEENTH ANNUAL REPORT 2002



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 Fifteenth Annual General Meeting of the members of SHILPA ANTIBIOTICS LIMITED will be held at 10.45 A.M. on Monday, September 30, 2002 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 2002, 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 Innani who retires by rotation and being eligible, offers himself for re-appointment.
3. To Appoint a Director in place of Sri.Kamalkishore Innani, 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.
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 LIMITED. To SHILPA MEDICARE LIMITED and / or such other name as may be permissible or made available by the Registrar of Companies.

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 and / or such other name as may be permissible or made available by the registrar of companies.

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 **SPECIAL RESOLUTION**.

“RESOLVED THAT subject to the approval of the Company Law Board in terms of Section 17 and other applicable provisions of the Companies Act 1956 and subject to the approval of all other regulatory authorities, the Memorandum of Association of the Company be and is hereby modified and altered to the extent and the manner as hereinafter stated ;

That the under noted new Object no. 7 be inserted after the existing Object no.6 in IIIA of the Object clause of the Company and the existing Object nos. 7 to 21 under IIIB be renumbered as 8 to 22

Clause No. 7

To carryon the business of manufacturing, generating, supplying, buying and selling of Hydel, Thermal, Cogeneration, Bio-Generation, Solar Energy, Wind Energy and such other conventional and/or non Conventional energy and for this purpose construct, laydown, establish, fix and carryout all necessary Power station, cables, wires, lines, accumulators lamps and generally supply electricity of all kinds.

By order of the Board
for SHILPA ANTIBIOTICS LIMITED,

(VISHNUKANTH .C. BHUTADA)
Managing Director

Place : Raichur
Dated: 09-08-2002



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 29th Sep. to 3rd Oct. 2002 (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. 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 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. :

The Company is intending to establish a power project to assure its power requirements and excess if any can be sold to the State as per the present regulations.

This tantamounts to a new business and for this the approval of the members is required.

The directors recommend the resolution for adoption.

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

INFORMATION REQUIRED TO BE FURNISHED UNDER THE LISTING AGREEMENT

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

1. Name : Sri. Nathmal Innani
Age : 52 years
Qualification : Undergraduate
Experience : In Business and Trade for over 30 years.

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

OTHER DIRECTORSHIPS

- | Name of the Company | Position held |
|----------------------------------|---------------|
| Bhakara Investments Pvt. limited | Director |
| Armarick Investments Pvt. Ltd. | Director |
2. Name : Sri.Kamalkishore Innani
Age : 44 years
Qualification : Under graduate
Experience : In Business and Trade for over 22 years.

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

OTHER DIRECTORSHIPS

- | Name of the Company | Position held |
|----------------------------------|---------------|
| Bhakara Investments Pvt. limited | Director |

By Order of the Board
for **SHILPA ANTIBIOTICS LIMITED,**

(**VISHNUKANTH .C. BHUTADA**)
Managing Director



DIRECTOR'S REPORT

The Director's have pleasure in presenting their annual report and accounts for the year ended 31-03-2002.

FINANCIAL RESULTS: (Rs.in lacs)	<u>2001-02</u>	<u>2000-01</u>
Profit before Interest, Depreciation, and tax	145.83	107.91
Less: Interest	22.53	22.42
Depreciation	25.15	35.72
Profit before taxes	98.15	49.77
Less: Provision for taxes:		
1. Current Tax	40.90	28.00
2. Deferred Tax	(7.49)	-
Profit after taxes	64.74	21.77

YEAR IN RETROSPECT

The sales and other income for the financial year under review were at Rupees 1986.82 (1971.10) Lacs and the profit before tax is Rupees 98.15 (49.77) Lacs and profit after tax is Rupees 64.74 (21.77)Lacs. Despite no significant improvement in Bulk Drug Industry in General. This improvement in result is due to periodical review of product mix; strict cost control measures and utilisation of resources to its maximum usage. During the year the company had entered into Joint Venture at United States of America which has been dissolved as on 31st March, 2002 in view of changing Scenario in the overseas market.

Based on the past performance of the Company in respect of Exports, the Company has made an application with the Authorities for **recognizing the company as an Export House which has been subsequently recognized.**

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 this areas of management.

The Company intends to install its own Captive Generation unit so as to reduce the dependence on State Electricity Board and also to minimize the expenditure on power consumption.

DIVIDEND:

Proposed Dividend in respect of Financial year 2001-02 at Re.1/- Per share of Rs.10/- each fully paid-up i.e. @10% to be paid to Equity Share Holders if approved as on the record date. The proposed dividend would absorb Rs.26.88 Lacs.

INSURANCE :

All the properties of the company have been properly insured.



Shilpa Antibiotics Limited

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.

PARTICULARS OF EMPLOYEES:

During the year your company had no employees drawing remuneration equal to or more than the limits prescribed under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975.

DIRECTOR'S RESPONSIBILITY STATEMENT

In terms of the provisions of Section 217(2AA) of the Companies Act, 1956 your Directors confirm as under:

1. In the preparation of the annual accounts, the applicable accounting Standards have been followed.
2. That the Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year ended 31st March, 2002 and of the profit of the Company for that year.
3. That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
4. That the Directors have prepared the annual accounts on a going concern basis.

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 behalf of Board of Directors
(**VISHNUKANTH C. BHUTADA**)
Managing Director

Place : Raichur
Dated: 09-08-2002

**ANNEXURES 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****Previous Period****Purchased :**

Unit	4,01,512	3,15,052
Total amount of Duty	17,45,308	13,10,687
Rate/Unit	4.35	4.16

Own Generation

Through Diesel Generator Set (Qty of Diesel in Ltrs)	42,492	46,652
Value	7,49,240	7,62,746
Per Litre of Diesel	17.63	16.35

FIRE WOOD

Quantity (Kgs)	6,98,474	1,61,265
Value	3,70,978	69,589
Rate / Kg	0.53	0.43

Earnings and Outgoings:

The particulars with regard to Foreign Exchange earnings and outgoings appear in item no.13 (f) of Notes to Accounts.



Shilpa Antibiotics Limited

Phone: 230221

PUSHPARAJ BHANDARI & COMPANY

Chartered Accountants
Amar Complex, M.G.Road, Raichur – 584 101

AUDITOR'S REPORT

To,

The Members of Shilpa Antibiotics Limited,

We have audited the attached Balance Sheet of Shilpa Antibiotics Limited, as at 31st March, 2002 and also the Profit and Loss Account for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.

We have conducted our audit in accordance with auditing standards generally accepted in India. These Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the Manufacturing and Other Companies (Auditor's Report) Order, 1988 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 & 5 of the said Order to the extent applicable.

Further to our comments in the Annexure referred to above, we report that :

1. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
2. In our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of those books
3. The Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of account.
4. In our opinion, the Balance Sheet and Profit and Loss Account dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act 1956.
5. On the basis of written representations received from the Directors, as on 31st March, 2002, and taken on record by the Board of Directors, we Report that none of the directors is disqualified as on 31st March, 2002 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act 1956.