

**SHRISHMA
FINE CHEMICALS &
PHARMACEUTICALS
(KARNATAKA) LTD.**



**ANNUAL REPORT
1999 - 2000**

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FINE CHEMICALS &
PHARMACEUTICALS
(KARNATAKA) LTD.



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BOARD OF DIRECTORS

DR. R. N. GOEL	:	<i>Chairman & Managing Director</i>
DR. S. R. GOEL	:	<i>Joint Managing Director</i>
MR. S. M. PARANDE	:	<i>Director</i>
MR. P. P. MADAPPA	:	<i>Director</i>
MR. WALTER SALDANHA	:	<i>Director</i>
MR. PRAVIN VEPARI	:	<i>Director</i>

AUDITORS

*Haribhakti & Co.
Mumbai.*

PLANT & REGISTERED OFFICE

*Plot No. 30, Industrial Area
Doddaballapur - 561 203
Bangalore Dist.*

**NOTICE**

Notice is hereby given that the Eighteenth Annual General Meeting of the Shareholders of **Shrishma Fine Chemicals and Pharmaceuticals (Karnataka) Limited** will be held at Plot No. 30, Industrial Area, Doddaballapur, Bangalore - 561 203, on Saturday, December 16, 2000 at 9.30 am to transact the following business :

A. ORDINARY BUSINESS :

1. To consider and adopt the Balance Sheet as at 30th June 2000 and the Profit and Loss Account for the year ended on that date along with the Reports of the Auditors and of Directors thereon;
2. To appoint a Director in place of Mr. Walter Saldanha, who retires by rotation. Mr. Walter Saldanha, the retiring Director, is eligible for re-appointment;
3. To appoint a Director in place of Mr. Pravin Vepari, who retires by rotation. Mr. Pravin Vepari, the retiring Director, is eligible for re-appointment;
4. To appoint Auditors to hold office from the conclusion of this Annual General Meeting to that of the next at a remuneration to be fixed by the Board of Directors. The retiring Auditors M/s. Haribhakti & Company are eligible for re-appointment.

Notes :

1. **A MEMBER ENTITLED TO ATTEND AND VOTE, IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIM/HER SELF AND THE PROXY NEED NOT BE A MEMBER.**
2. Member/Proxies should bring the Attendance Slip duly filled in for attending the meeting.
3. The Register of Members will remain closed from December 16, 2000 to December 31, 2000 both the days inclusive.
4. Members/Proxies are requested to bring their copy of Annual Report for the meeting.
5. Members/Proxies should bring the Attendance Slip duly filled in to gain entry into the meeting venue.
6. Any Change in Address may please be advised to the Registered Office immediately.
7. Members are requested to send their queries on accounts at least three days before the meeting date.

Place: Mumbai

Dated: November 17, 2000

By Order of the Board

N. Ramakrishnan

(Company Secretary)

SHRISHMA
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DIRECTORS' REPORT TO THE MEMBERS.

Your Directors present herewith the Eighteenth Annual Report and Audited Accounts for the year ended 30th June 2000. The Company's performance for the year is as under:

FINANCIAL RESULTS

	Rupees in Lakhs	
	1999 - 2000	1998 - 1999
Sales and Income	374.73	321.13
Stock Adjustments	22.90	4.60
Profit before Interest, Depreciation and Taxation	43.94	54.56
Interest on Borrowings for Operations	4.86	5.77
Profit before Long Term Interest, Depreciation and Taxation	39.08	48.79
Loss after Interest, Depreciation	(125.88)	(115.94)
Provision for Taxation	-	-
Loss after Taxation	(125.88)	(115.94)

OPERATIONS

Members will observe that scale of operations continue to be a matter of concern. In the current year also, company's activity resulted in profits after meeting all expenses inspite of increase in cost of Raw Material, Furnance Oil, Power etc. The company is getting number of fresh enquiries from International Buyers. Unfortunately, the current status wherein the company is awaiting the orders from BIFR is slowing down the

efforts. The proposal as submitted to the Operating Agency-IDBI is feasible for implementation and it provides for repayment of dues of all Secured Creditors in a matter of 7 years. The resultant Net Worth will also be encouraging.

The company is in dialogue with Secured Creditors for obtaining their consent for acceptance of the rehabilitation package. The management hopes that before long a favourable order, in the interest all concerned with the company will be passed by the BIFR Authorities.

REMARKS OF AUDITORS

The Explanations given in Notes to the Accounts are self-explanatory and clarifies the observations of the Auditors.

FIXED DEPOSITS

The company did not accept or renew Fixed Deposits during the year.

DISCLOSURE OF PARTICULARS

No employee other than the Joint Managing Director was in receipt of remuneration crossing the limits prescribed under the Companies (Disclosures of Particulars in the Report of Board of Directors) Rules, 1988.

ACKNOWLEDGEMENT

Your Directors wish to place on record their sincere appreciation for the whole hearted devotion and sense of commitment extended by all employees of the Company. The Directors also wish to recognise the patience of the Shareholders and Debenture holders in supporting the management in the adverse conditions.

Place : Mumbai
Date : November 17, 2000

On Behalf of Board of Director
DR. R. N. GOEL
Chairman & Managing Director

**ANNEXURE 'A'**

Form of Disclosure of particulars with respect to conservation of energy.

Year ended
30th June, 2000**A. Power & Fuel Consumption :****1. Electricity**

a) Purchase Unit	KWH 546344
Total Amount (Rs. in Lakhs)	28.57
Rate/Unit (in Rs.)	5.22
b) Own generation	
c) Through diesel generator (unit)	K. L 24217
Units per litre of diesel oil	2.58
Cost/Unit (in Rs.)	10.21

2. Furnace Oil

Quantity	K. L 139.07
Total Cost (Rs. in Lakhs)	16.82
Average Rate (Rs./Litre)	8.26

B. Consumption per unit of production :

Products
Electricity
Furnance Oil
Coal/Others

Since the company manufactures several formulations and bulk drugs in the same factory, it is not practical to apportion consumption of utility based on the record.

Technology Absorption :

New products continue to be developed through R & D.

C. Foreign Exchange Earnings & Outgo :

	1999 - 2000	1998 - 1999
	(Rs. in Lakhs)	
Earnings	11.43	51.61
Outgo (Travel)	1.05	2.81
Imports	13.11	4.92