

ANNUAL REPORT

1998 - 99

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TRIOCHEM PRODUCTS LIMITED

Regd. Office : Sambava Chambers, 4th Floor, Sir P. M. Road, Fort, Mumbai - 400 001.

TRIOCHEM PRODUCTS LIMITED

Board of Directors

Shri Ramu S. Deora

Shri Mahabirprasad S. Deora

Shri Ashok R. Daga

Shri Shyam Sunder Sharma

Shri Sunil S. Jhunjunwala

Auditors :

M. L. Bhuvania & Co.

Bankers :

State Bank of India

Union Bank of India

Banque Indosuez

Registered Office :

Sambava Chambers, 4th Floor,
Sir P.M. Road,
Bombay - 400 001.

Factory :

105, MIDC Industrial Area,
Village Morivali,
Ambernath.
(Maharashtra).

TRIOCHEM PRODUCTS LIMITED
Regd. Office : Sambava Chambers, 4th Floor,
Sir P.M.Road, Mumbai-400 001.

NOTICE TO THE SHAREHOLDERS

NOTICE is hereby given that the Annual General Meeting of the Company will be held at the Registered Office of the Company at Sambava Chambers, 4th Floor, Sir P.M.Road, Mumbai - 400 001 on Saturday, 17th July, 1999 at 4.00 P.M. to transact the following business :

ORDINARY BUSINESS

1. To receive, consider, approve and adopt the audited Balance Sheet as at 31st March, 1999 and Profit and Loss Account for the year ended 31st March, 1999 and Report of the Directors and Auditors thereon.
2. To appoint a Director in place of Shri Sunil S. Jhunjhunwala who retires by rotation and, being eligible, offers himself for reappointment.
3. To appoint Auditors to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting of the Company and to fix their remuneration.

SPECIAL BUSINESS

1. To consider , and if thought fit , to pass, with or without modifications, the following resolution as an ordinary resolution:
" RESOLVED THAT Mr. Rajiv R. Deora be and is hereby appointed as a Director of the Company, liable to retire by rotation."
2. To consider , and if thought fit , to pass, with or without modifications, the following resolution as an ordinary resolution:
" RESOLVED THAT Mr. Rajesh R. Deora be and is hereby appointed as a Director of the Company, liable to retire by rotation."

MUMBAI

DATED : 31st MAY, 1999

FOR AND ON BEHALF OF THE BOARD


DIRECTOR

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 sent herewith duly filled in for attending the Meeting.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

ITEM NOS. 1&2

As required under section 257, the Company has received notices in writing from members signifying their intention to propose Mr. Rajiv R. Deora and Mr. Rajesh R. Deora as candidates for the office of Director. the Company has also received deposit of Rs. 500/- each as required under the Companies Act 1956.

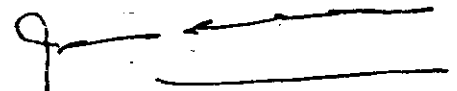
The Board of Directors recommend the appointment of Mr. Rajiv R. Deora and Mr. Rajesh R. Deora as Directors.

None of the Directors except Shri Ramu S. Deora is interested in the said resolutions.

MUMBAI

DATED : 31st MAY, 1999

FOR AND ON BEHALF OF THE BOARD


DIRECTOR

TRIOCHEM PRODUCTS LIMITED

Regd. Office : Sambava Chambers, 4th Floor,
Sir P.M.Road, Mumbai - 400 001.

DIRECTORS' REPORT

TO THE SHAREHOLDERS

Your Directors present their Annual Report together with the Audited Accounts of the Company, for the year ended 31st March, 1999.

WORKING RESULTS :

	<u>1998-99</u>	<u>1997-98</u>
	(Rs. in Lacs)	
SALES & OTHER INCOME	113.88	517.66
Profit/(Loss) for the year before Depreciation	(61.33)	(80.27)
Less : Depreciation	11.98	18.17
Profit/(Loss) before Tax	(73.31)	(98.44)
Less : Provision for Tax	0	0.00
Profit/(Loss) after Tax for the year	(73.31)	(98.44)
Add Transferred from Investment Allowance utilised Reserve	0.00	2.39
Add Income Tax adj. for earlier year	0.91	0.00
Add :Profit/(Loss) carried forward from previous year.	(91.57)	4.48
Balance carried forward to next year	(163.97)	(91.57)

This is clear from above result that there is a loss of Rs.73.31 Lakhs as compared to loss of Rs.98.44 lakhs for the previous year. The total sales and other income of the Company for the year under review are lower at Rs.113.88 as compared to Rs.517.66 lakhs for the previous year. Since the labour trouble is still continuing, the same has affected adversely the production, Yield and profitability of the Company. However, during the year the Company has re-started the production activity in Bulk Drug Plant partially. The Company has tried to get first stage production on Job Basis from outside and from second stage onwards, the production of the Bulk Drugs at Plant, but the same was not profitable and economical.

PRODUCTION :

1) PRODUCTION OF PARACETAMOL BULK DRUGS

YEAR	UNIT	TOTAL * QTY.	CAPTIVE CONSUMPTION	ON JOB BASIS
1998-99	M.T.	82.15	35.46	15.62
1997-98	M.T.	245.83	56.28	0.00
1996-97	M.T.	713.02	248.65	1.00
1995-96	M.T.	876.68	226.04	374.99
1994-95	M.T.	886.00	230.02	267.40

Note : Total Qty. includes Production for captive consumption & Production of Job Work basis.

2) PRODUCTION OF PARACETAMOL FORMULATION OUT OF OUR OWN PARACETAMOL, PURCHASED AND ON JOB BASIS

YEAR	UNIT	TOTAL * QTY.	ON JOB BASIS
1998-99	MILLIONS	126.64	56.18
1997-98	MILLIONS	179.31	76.40
1996-97	MILLIONS	390.15	33.25
1995-96	MILLIONS	534.92	25.50
1994-95	MILLIONS	842.83	159.35

Note : Total Qty. includes Production on Job Work basis.

3. PRODUCTION OF PARACETAMOL D.C.GRADE OUT OF OUR OWN PARACETAMOL, PURCHASED AND ON JOB BASIS

YEAR	UNIT	TOTAL * QTY.	ON JOB BASIS
1998-99	KGS.	40300.00	35500.00
1997-98	KGS.	61800.00	37900.00
1996-97	KGS.	104000.00	0.00
1995-96	KGS.	91850.00	0.00
1994-95	KGS.	38050.00	26950.00

Note : Total Qty. includes Production on Job Work basis.

Contd..3

PRODUCTION ANALYSIS (CAPACITY WISE)

1) PARACETAMOL BULK DRUGS

YEAR	UNIT	CAPACITY	PRODUCTION QUANTITY	CAPACITY UTILISED
1998-99	M.T.	1200.00	82.15	6.85%
1997-98	M.T.	1200.00	245.83	20.49%
1996-97	M.T.	1200.00	713.02	59.42%
1995-96	M.T.	900.00	876.68	97.41%
1994-95	M.T.	900.00	886.00	98.44%

2) PARACETAMOL FORMULATION

YEAR	UNIT	CAPACITY	PRODUCTION QUANTITY	CAPACITY UTILISED
1998-99	MILLIONS	1200.00	126.64	10.55%
1997-98	MILLIONS	1200.00	179.31	14.94%
1996-97	MILLIONS	1200.00	390.15	32.51%
1995-96	MILLIONS	1200.00	534.92	44.58%
1994-95	MILLIONS	1200.00	842.83	70.24%

PRODUCTION ANALYSIS (1994-95 V/S 1998-99)

YEAR	PARACETAMOL BULK DRUGS	PARACETAMOL FORMULATION
	QUANTITY (IN M.T.)	QUANTITY (IN MILLIONS)
1998-99	82.15	126.64
1994-95	886.00	842.83
% OF PRODUCTION 1998-99 V/S 1994-95	9.27%	15.03%

The production of Paracetamol Bulk Drug during the year is 82.15 M.T. including production for captive consumption and production on Job work basis. Similarly the production of Tablets during the year is 126.64 Millions including production on Job work basis.

The main reason of declining the production is adamant attitude of the union of Bulk Drug Plant. Due to want of Paracetamol Bulk Drug, the activity of Formulation department is also adversely affected. Accordingly, the Company even could not cover the fixed running overheads in spite of that the management has tried their best for restarting in full-swing the Bulk Drug production of Paracetamol.

Contd..4

The Company's products were well accepted in exports from last two decades and the Company was having its regular multinational corporate buyers of the Paracetamol bulk drug. However due to labour problem, the company could not continue the supply of Paracetamol Bulk Drugs and fulfil the export orders. Now it will be difficult to get back these old clients since these Multi National Companies must have made some alternative arrangements.

Otherside, the Indian companies have increased their production capacity and become more competitive by improving their productivity and efficiency. However our company, due to labour problem, remained out of business. In today's International Market Scenario, the China and the USA have become very aggressive in Global market and also in Indian Market. therefore unless and until the Efficiency, Productivity, Quality and Yield are improved, it will be difficult to face the competition in India and abroad which solely depends on the Discipline and maintaining the law and order by every workman in factory Premises.

3. DIVIDEND :

Since there is a loss of Rs.73.31 Lacs during the year. Because of inadequate profits, the director are unable to declare the dividend during the year.

4. DIRECTORS :

Shri Sunil S. Jhunjhunwala who retires by rotation at the forthcoming Annual General Meeting and being eligible, offer himself for re-appointment.

5. PARTICULARS OF EMPLOYEES :

As required by the provisions of Sections 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 (as amended), the names and other particulars of the Employees who were in receipt of remuneration of not less than Rs.300000/- during the Financial Year under review or Rs.25000/- per month are given below:

Sr. No.	Name of the Employees & Designation	Age	Date of Joining	Qualification	Gross Remuneration	Last Employment
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A) Employed for the whole of the year :

N	O	N	E
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B) Employed for a part of the year :

N	O	N	E
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6. COMPANY'S (DISCLOSURE OF PARTICULARS IN THE
REPORT OF BOARD OF DIRECTORS) RULES, 1988 :

As required U/S 217 (1) (e) of the Companies Act, 1956 and the Rules made therein the concerned particulars relating to conservation of Energy, Technology Absorption and Foreign Exchange Earning and Outgo are given in the Annexure 'A' attached hereto which forms a part of this Directors' Report.

7. AUDITORS :

M/S. M.L.BHUIWANIA & Co., Statutory Auditors of the Company hold Office until the conclusion of the forthcoming Annual General Meeting and, being, eligible offer themselves for re-appointment. The Directors recommend them for re-appointment and to fix their remuneration.

FOR AND ON BEHALF OF THE BOARD

PLACE : MUMBAI

DATE : 22nd May, 1999



DIRECTOR

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ANNEXURE 'A'

STATEMENT OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 1999

I. CONSERVATION OF ENERGY :

i) Energy Conservation measures taken :

Strict Vigilance observed and constant monitoring of usage of energy and educating on the need to conserve energy.

ii) Additional Investments and Proposals being implemented for Energy and educating on the need to conserve energy: NIL

iii) Impact of the measure at (i) and (ii) above for the reduction of energy consumption and consequent impact on the cost of production of the goods.

It is difficult to assess the definite impact of the measure as the total energy cost forms a small constituent of the overall production costs.

iv) Total energy consumption and energy consumption per unit of production as prescribed in Form A:

A) Power and Fuel Consumption:

	<u>1998-99</u>	<u>1997-98</u>
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1) Electricity :

a) Purchased :

Units (In Lacs)	4.14	6.50
Total Amount (Rs. in Lacs)	23.01	28.11
Rate Per Unit (Rs.)	5.55	4.32

b) Own Generation :

Not applicable since the Company does not have any Diesel Generator or Steam Turbine/Generator.