

ANNUAL REPORT

1999-2000

RIOCHEM PRODUCTS LIMITED



TRIOCHEM PRODUCTS LIMITED

Board of Directors:

Shri Ramu S. Deora - Chairman

Shri Mahabirprasad S. Deora

Shri Ashok R. Daga

Shri Shyam Sunder Sharma

Shri Sunil S. Jhunjhunwala

Auditors :

M/S. M. L. Bhuwania & Co.

(Chartered Accountants)

Bankers:

State Bank of India

Union Bank of India

Registered Office :

Sambava Chambers, 4th floor,

Sir P. M. Road, Mumbai - 400 001

Factory :

10/2, M.I.D.C. 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 Friday, 21st July, 2000 at 5.00 P.M. to transact the following business: -

1. To receive, consider, approve and adopt the audited Balance Sheet as at 31st March, 2000 and Profit and Loss Account for the year ended 31st March, 2000 and report of the directors and auditors thereon.
2. To appoint a Director in place of Shri Ramu S. Deora who retires by rotation and, being eligible, offers himself for reappointment.
3. To appoint a Director in place of Shri Shyam Sunder Sharma who retires by rotation and, being eligible, offers himself for reappointment.
4. 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.

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FOR AND ON BEHALF OF THE BOARD

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DIRECTOR

PLACE : Mumbai

DATED : 16th May, 2000

NOTES:

1. A members 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.

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, 2000.

1. WORKING RESULTS:

	<u>1999-2000</u>	<u>1998-99</u>
	(Rupees in Lacs)	
SALES & OTHER INCOME	<u>123.76</u>	<u>113.88</u>
Profit / (Loss) for the year before Depreciation	0.58	(61.33)
Less : Depreciation	<u>7.69</u>	<u>11.98</u>
Profit / (Loss) before Tax	(8.27)	(73.31)
Less : Provision for Tax	-	-
Profit / (Loss) after Tax for the year	(8.27)	(73.31)
Add Income Tax adj. For earlier year	(0.38)	0.91
Add: Profit / (Loss) carried forward from previous year.	(163.97)	(91.57)
Balance carried forward to next year	<u>(172.62)</u>	<u>(163.97)</u>

This is clear from the above result that there is a loss of Rs. 8.27 Lakhs as compared to loss of Rs. 73.31 Lakhs for the previous year. The total sales and other income of the Company for the year under review are Rs. 123.75 Lacs as compared to Rs. 113.88 lakhs for the previous year. Other income for the year under review includes profit from sale of some of the staff quarters which were owned by the Company to reduce the losses.

 
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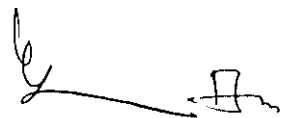
There was labour trouble since last three years , due to which production of the bulk Drugs Plant and Formulation have been adversely affected and there was no scope to change the attitude of the workman. The Management has tried their level best to make all out efforts to start the production of Bulk Drugs as well as Formulation Division, after the workmen given the Undertaking as per the directive of Hon'ble Industrial Court, Thane. But unfortunately, the workmen were not co-operative and after joining the duty, again they started harassment and indiscipline in the Factory premises which affected adversely the Production, Quality, Yield etc. They started damaging the equipment and other facilities of production that the Management has repaired and made automation to achieve better productivity. Since all the efforts of the Management was defeated and the well intended, good intention of the Management could not be understood by the workmen due to their adamant attitude and there was no scope to change the attitude of the workman therefore, the Company had no other alternative but to close the production activities of Ambernath Factory w.e.f. 30/11/1999 by declaring Closure and Continued other activities of the Company.

2. PRODUCTION:

1) PRODUCTION OF PARACETAMOL BULK DRUGS

YEAR	UNIT	TOTAL * QTY.	CAPTIVE CONSUMPTION	ON JOB BASIS
1999-2000	M.T.	18.59	08.24	00.00
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.



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

YEAR	UNIT	TOTAL * QTY.	ON JOB BASIS
1999-2000	MILLIONS	100.55	78.96
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
1999-2000	KGS	29000.00	24950.00
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.

PRODUCTION ANALYSIS (CAPACITY WISE)

1) PARACETAMOL BULK DRUGS

YEAR	UNIT	CAPACITY	PRODUCTION QUANTITY	CAPACITY UTILISED
1999-2000	M.T.	1200.00	18.59	1.55%
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
1999-2000	MILLIONS	1200.00	100.55	08.38%
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 1999-2000)

	PARACETAMOL BULK DRUGS	PARACETAMOL FORMULATION
YEAR	QUANTITY (IN M.T.)	QUANTITY (IN MILLIONS)
1999-2000	18.59	100.55
1994-95	886.00	842.83
% OF PRODUCTION		
1999-2000 V/S 1994-95	2.10%	11.93%

The production of Paracetamol Bulk Drug during the year is 18.59 M.T. including production for captive consumption. Similarly, the production of Tablets during the year is 100.55 Millions including production on Job work basis. The production capacity of Bulk Drugs Plant is 1200 M.T. per year against which the actual production is only 18.59 M.T. which is nothing as compared to our Competitors in India and in China.

The main reason for decline in production is non-co-operation of workmen and the union. Due to this the company could not cover the Fixed running overheads in spite of their level best to restart the production. The Company's products are well accepted in International Market and if the Production Capacity would have been utilized of Bulk Drugs Plant of Paracetamol and Tablets Department, it would not have been difficult to sell the products in International Market, since the Company's products are registered with various countries and having Drug Master File (DMF).

The Company has good products, good reputation in the International Market and its Products are well accepted by the Foreign Buyers. Therefore, the Company is getting the Tablets manufactured on Job Work Basis from outside to fulfill the Export Orders and its commitment. The Company will try hard to at least cover the existing fixed Overheads and to generate the Revenue by other activities and getting the production of Tablets on Job Work basis from outside.

3. **DIVIDEND :**

Since there is a loss of Rs. 8.27 Lacs during the year. Because of inadequate profits, the directors are unable to declare the dividend during the year.

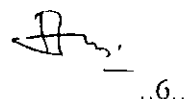
4. **DIRECTORS :**

Shri Ramu S. Deora who retires by rotation at the forth coming Annual General Meeting and being eligible, offer himself for re-appointment.

Shri Shyam Sunder Sharma who retires by rotation at the forth coming Annual General Meeting and being eligible, offer himself for re-appointment.

5. **Y2K COMPLIANCE:**

All the Software and Hardware Systems of the Company are Y2K compliant. The Company has successfully rolled over Y2K.



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6. 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	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

B) Employed for a part of the year :

N O N E

7. COMPANY'S (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988 :

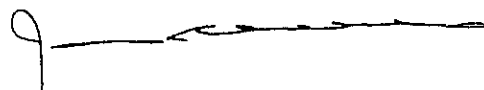
As required U/S 217 (1) (c) of the Companies Act, 1956 and the Rules made therein the concerned particulars relating to conservation of Energy, Technology Absorption and foreign Exchange Earning and Outgo are given in the Annexure 'A' attached hereto which forms a part of this Directors' Report.

8. AUDITORS :

M/S M.L. Bhuwania & 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 : 15TH May, 2000.



DIRECTOR
