

Kiso Chemicals & Pharmaceuticals India Ltd.

17TH ANNUAL REPORT
2001-2002

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Today

**BOARD OF DIRECTORS**

D.M.Kulkarni	Chairman
G.G.Desai	Director
Devika D.Kulkarni	
Mallika Dilip Kulkarni	
M.G.Wagle	Managing Director

BANKERS

Canara Bank , Mumbai

AUDITORS

B.K.Khare & Co.

LEGAL ADVISOR

Little & Co., Mumbai

REGISTRAR AND SHARE TRANSFER AGENT

Mondkar Computers Private Limited.
21, Shakeel Niwas, Mahakali Caves Road,
Andheri - (East)
Mumbai - 400 093.
Phone No: 836 66 20

REGISTERED OFFICE

Skypak House Annexe,
Off M. Vassanji Road, Marol,
Andheri (E), Mumbai - 400 059.
Phone No: 850 53 87
E - Mail : bliss@bom3.vsnl.net.in
Website : www.blisspharma.com

FACTORY

Plot No. 10, Village : Aliyali,
Palghar Taluka, Dist.Thane,
Maharashtra.

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**NOTICE**

NOTICE is hereby given that the 17th Annual General Meeting of the members of Bliss Chemicals & Pharmaceuticals India Ltd. will be held as under :

DAY: Thursday

VENUE: Hotel Kumaria Presidency Marol, Andheri (E) Mumbai – 400 059

DATE: 5th September, 2002

TIME: 11.30 a. m

to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Profit and Loss Account for the year ended 31st March, 2002, the Balance Sheet as at that date and the Reports of the Directors and Auditors thereon.
2. To declare Dividend
3. To appoint a Director in place of Mrs. Devika D. Kulkarni, who retires by rotation and being eligible offers herself for re-appointment.
4. To appoint Auditors to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting, to authorise the Board of Directors to fix their remuneration.

SPECIAL BUSINESS:

5. To Consider and if thought fit pass with or without modification the following Resolutions as a Special Resolution:

"RESOLVED THAT Miss. Mallika D. Kulkarni, who was appointed as an Additional Director with effect from April 30, 2002 and who holds office as such upto the date of this meeting and is eligible for appointment as Director, and in respect of whom notice under section 257 of the Companies Act, 1956, has been received, be and is hereby appointed as a Director of the Company.

RESOLVED FURTHER THAT pursuant to the provisions of Sections 269, 309, 198 read together with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 Miss Mallika D. Kulkarni aged 23 years be and is hereby appointed as Wholtime Director of the Company with effect from 2nd May, 2002 for a period of 5 years on terms and conditions including remuneration and perquisites as under:

1. The Wholtime Director (hereinafter called Director) shall carry out such functions, exercise such powers and perform such duties as the Board of Directors of the Company (hereinafter called "The Board") shall from time to time determine and entrust to her. Subject to the superintendence, control and direction of the Board, the Director shall have the general control and be responsible for the marketing and export business of the Company with powers to enter into contracts on behalf of the Company in the ordinary course of business and to do and perform all other acts and things which in the ordinary course of such business she may consider necessary or proper in the best interests of the Company.

The Director shall report to the Board and shall be responsible for all her actions to the Board. It is hereby expressly agreed and declared that nothing herein contained shall vest or shall be deemed to be intended to vest in the Director, the management of the whole or substantially the whole of the affairs of the Company.

1. Salary: Rs. 20,000 –5,000- 50,000 per month.
 2. Perquisites: The Director shall be entitled to the following perquisites provided that the total value of the perquisites shall be restricted to an amount equal to the annual salary or Rs. 300,000/- per annum, whichever is lower.
- 2.1 Housing:
- The Company shall provide rent-free furnished accommodation with gas, electricity and water provided that the rent furnished accommodation shall not exceed 60% of the salary over and above 10% of the salary payable to Miss Mallika D. Kulkarni.
 - If accommodation is a company owned house, Miss Mallika D. Kulkarni shall pay to the Company by way of rent 10% of the salary. The provision of gas, electricity, water and furnishing shall be valued as per the Income Tax Rules, 1962.
 - If the Company does not provide accommodation to Miss Mallika D. Kulkarni, then she shall be entitled for House rent allowance of Rs. 4,000/- per month.

2.2 Leave Travel Concession & Medical Reimbursement:

(A) Leave Travel Expenses:

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Expenses incurred for the appointee and his family subject to a ceiling of Rs. 25,000 in a year, in accordance with the rules specified by the company.

(B) Medical Reimbursement:

Expenses incurred for the appointee and his family subject to a ceiling of one month's salary per month and in accordance with the rules specified by the company.

Explanation: For the purposes of a "family", family means the spouse, dependent children and dependent parents of the appointee.

Membership of the Employees' Provident Fund of the company to which the company will contribute at such percentage of salary as may be applicable, from time to time, to the employees. The appointee will be governed by the provident fund rules of the company.

- 2.4 Encashment of leave: As per company's rules. Encashment of leave, if any, in accordance with the rules of the Company shall be allowed only at the time of retirement or at the end of tenure as the case may be and it will not be included in the computation of ceiling for perquisites.
- 2.5 Telephone at residence reimbursed for rental and business calls.
- 2.6 Reimbursement of actual expenses for books and periodicals purchased for purposes of carrying-on her duties and reimbursement of entertainment expenses actually and properly incurred in the course of the Company's business.
- 2.7 Other benefits to which senior officers of the company are normally entitled to, according to the rules of the company
- 2.8 The Director shall not be paid any sitting fees for attending the meetings of the Board or any committee thereof.
- 2.9 Gratuity:- Payable in accordance with an approved fund, which does not exceed half month's salary for each completed year of service, subject to a ceiling of Rs.100,000/-

In case the Director dies during the course of his employment, the Company shall pay to her heirs/ legal representatives the remuneration and / or other perquisites due and payable upto the date of death of the Director.

The Director shall not either during the continuance of her employment hereunder or thereafter except in the proper course of her duties hereunder divulge to any person whomsoever and shall use her best endeavours to prevent the publication or disclosure of any trade secret industrial process or any information concerning the business or finances of the Company or any other Company for whom she is directed to perform services hereunder or of any of their dealings transactions or affairs which may come to his knowledge during or in the course of his employment.

It is hereby agreed and declared that so long as the Director is in the employment of the Company she shall have no interest directly or indirectly in any manner whatsoever including but without limiting the generality thereof in any financing arrangements in or with any person, firm, company or corporation engaged in any business that is competitive with any business which the Company or any other Company which is subsidiary or is affiliated to or is associated with the Company carries or from time to time. In the event that the Director breaches this Clause, the Company may terminate the Director's employment hereunder without notice and such termination shall not affect any of the Director's other obligations hereunder and the same shall survive such termination.

RESOLVED FURTHER that in the event of loss or inadequacy of profits in any financial year during the period of Miss Mallika D. Kulkarni's appointment, she will be paid or provided the salary, the allowances, and the perquisites as set out in the foregoing part of this resolution as the 'minimum remuneration' notwithstanding the fact that such remuneration is in excess of the limits set-out in Sections 198 and 309 of the Companies Act, 1956 or in Section II of Part II of Schedule XIII to the Companies Act, 1956 and necessary approvals will be sought from Central Government."

RESOLVED FURTHER that an agreement, covering the above terms, be executed with Miss Mallika D. Kulkarni under the Common Seal of the Company to be affixed thereto in accordance with the Articles of Association of the Company.

AND RESOLVED FURTHER that Mr. Dilip M. Kulkarni, Director and Mrs. Devika D. Kulkarni – Director be and are hereby authorised severally to send to the shareholders an abstract of the terms and conditions of the appointment of Miss . Mallika D. Kulkarni as required under section 302 of the Companies Act, file necessary returns with the Registrar of Companies, Stock Exchange and other authorities, if any, and take further steps as may be necessary and proper regarding the appointment of Miss Mallika D. Kulkarni as aforesaid."



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

"RESOLVED THAT subject to the provisions of Section 198, 269, 309, 310, 311, Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, the Company hereby accords its approval for payment of the performance bonus of Rs. 1 Lacs to Mr. M.G. Wagle -- Managing Director of the Company, for the period ended 31st March, 2002.

RESOLVED FURTHER THAT pursuant to the provisions of Section 198, 309 & 310 read along with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, the Company hereby accords its approval for payment of the performance bonus to Managing Director/ Wholetime Director up to Rs. 2 lacs per financial year for period of five years commencing from the Financial year 2002."

AND RESOLVED FURTHER THAT The Board of Directors be and is hereby Authorised to decide, from time to time, the quantum and manner of the payment of the performance bonus to Managing Director/Wholetime Director of the Company."

Registered Office:
Skypak House
Marol
Andheri(E)
Mumbai, 4th July, 2002

By Order of the Board
M.G. Wagle
Managing Director



**NOTES:**

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF / HERSELF AND SUCH PROXY NEED NOT BE A MEMBER. PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED AT THE COMPANY'S REGISTERED OFFICE AT SKYPAK HOUSE, MAROL, ANDHERI(E), MUMBAI – 400 059 NOT LESS THAN FORTY EIGHT HOURS BEFORE THE MEETING.**
2. An Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of Special Business under Item No. 5 & 6 to the notice are annexed.
3. The Register of Members and Share Transfer Books of the Company will remain closed from 31/08/2002 to 05/09/2002 (both day's inclusive) for the purpose of payment of dividend.
4. The Dividend, as recommended by the Board, if sanctioned at the meeting, will be paid on or after the 05/09/2002 to those members or their mandates whose names stand registered on the Company's Register of Members:-
 - a. As Beneficial Owners as at the end of Business on 30/08/2002 as per the lists to be furnished by National Securities Depository Limited and Central Depository Services (India) limited in respect of the shares held in electronic form, and
 - b. As Members in the Register of Members of the Company after giving effect to valid transfers in physical form lodged with the Company on or before 30/08/2002.
5. Members are requested to notify immediately any change in their address
 - a. To their Depository Participants (Dps) in respect of their electronic share accounts, and
 - b. To the share transfer agent Mondkar Computers Pvt. Ltd. having office at 21, Shakeel Niwas, Mahakali Caves Road, Andheri – (East), Mumbai – 400 093.
6. Members may please bring the Admission Slip duly filled in and may hand over the same at the entrance to the Meeting Hall.
7. Members desirous of obtaining any information concerning accounts and operations of the Company are requested to address their questions in writing to the Board of Directors of the Company at least 7 days before the date of the Meeting so that the information required may be made available at the Meeting.
8. Members are requested to bring the copy of the Annual Report sent to them.

ANNEXURE TO NOTICE

EXPLANATORY STATEMENT PURSUANT TO SUB SECTION (2) OF SECTION 173 OF THE COMPANIES ACT, 1956 IN RESPECT OF THE SPECIAL BUSINESS SET OUT IN THE NOTICE CONVENING THE ANNUAL GENERAL MEETING.

ITEM NO. 5

Taking into account her professional qualifications and business exposure, Miss Mallika D. Kulkarni appointed as additional Director on 30th April, 2002. She was appointed as Wholetime Director of the Company with effect from 2nd May, 2002.

The Company has received a notice under section 257 of the Companies Act, 1956 from a member together with necessary fee informing his intention to propose the appointment of Miss. Mallika D. Kulkarni as a Director of the Company at this meeting.

Miss Mallika D. Kulkarni is 23 year old. Pursuant to part I © of Schedule XIII of the Companies Act, 1956 the Company is seeking the approval of members relating to her appointment as wholetime Director of the Company by way of a special resolution.

None of the Directors other than Mr. Dillip M. Kulkarni and Mrs. Devika D. Kulkarni are interested in this resolution.

Item No. 6.

Considering the growth of the Company, the Board has recommended for the acceptance of the members Rs.1 lacs as performance Bonus to Mr. M.G. Wagle – Managing Director.

In order to compensate and reward in future to the Managing Director/Wholetime Director for their time, effort and increased responsibility for managing the affairs of the Company, the Board feels it necessary to pay a performance bonus. The resolution will be effective for period of five years from April, 2002.

None of the Directors other than Mr. M.G. Wagle is interested in this resolution

Registered Office:
Skypak House
Marol, Andheri(E), Mumbai – 400 059
Mumbai, 4th July, 2002

M.G. Wagle
Managing Director

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DIRECTORS' REPORT

Your Directors are pleased to present the 17th Annual Report of the Company together with the Audited Financial Statements for the year ended 31st March, 2002.

SUMMARISED FINANCIAL RESULTS:

(Rs. in Rupees)

	Year ended 31.3.2002	Year ended 31.3.2001
Gross Turnover	31,545,889	28,018,218
Operating Income	1,178,395	951,928
Profit before Interest, Depreciation and Tax	9,879,192	6,309,325
Less:		
Interest	1,395	276,000
Depreciation	643,732	516,333
Dividends	2,501,453	1,943,377
Balance brought forward from previous year	1,562,743	713,176
Profit available for appropriation	5,840,167	3,192,944
Transfer to General Reserves	600,000	400,000
Balance in Profit & Loss Account	2,738,714	849,567

THE YEAR UNDER REVIEW

Your Company has reported an encouraging performance for the year ended 31st March 2002. The performance of the health product has been noteworthy. Given the forecast of a positive outlook and your company's inherent strengths, we are confident of sustaining the improved performance, going forward.

In the year gone by the company sales have improved to Rs.31,545,889/- (Previous year Rs.28,018,218/-).

The Company during the year raised its Capital by pay of Preferential Allotment Rs. 83,65,000/-. The funds raised through this preferential issue have been used for the purpose of upgrading the plant and machinery at the factory and improving the facilities at the office at Mumbai.

DIVIDEND

Your Directors are pleased to propose a dividend of 10% on the enhanced capital. This dividend is similar to the dividend of the previous year.

FUTURE OUTLOOK

Your company continues to be a debt free EBITA positive company. Considering the prevalent market condition, your company has focused more on:

- Margin improvement through internal efficiencies and cost control

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- Initiated appropriate steps to maximize the available resources
- Restructured its operations
- Focus on improving asset utilization through market expansion and better penetration

It is expected that these measures will improve the cash flow position as well as the profitability of the company.

HUMAN RESOURCE DEVELOPMENT:

Your Company firmly believes that intellectual capital will see organizations through successfully in today's highly competitive global environment. The employees of the organization will be a source of competitive advantage.

To make this happen, your company has put in place a forward-looking resource policy that factors people, their skill sets and the business needs of the organization in a holistic manner.

ENERGY, TECHNOLOGY AND FOREIGN EXCHANGE:

As required by the Companies (Disclosure of Particulars in the Report of Board Of Directors) Rules, 1988 the relevant information pertaining to conservation of energy, technology absorption, foreign exchange earnings and outgo are as follows:

- CONSERVATION OF ENERGY:** The Company continues its policy of encouraging energy conservation measures. The regular review of energy consumption and the systems installed to control utilization of energy is undertaken.
- RESEARCH DEVELOPMENT ACTIVITIES:** Continuous efforts are being made to improve reliability and quality through in-house R&D efforts.
- TECHNOLOGY ABSORPTION:** The Company has not incurred any separate expenditure on Research & Development during the year. However, constant efforts are made on the production line itself to evolve better methods for improvement.
- FOREIGN EXCHANGE EARNINGS & OUTGO:** During the year under review, there was no foreign exchange earning and outgo.

FIXED DEPOSITS

The Company neither has accepted nor renewed any fixed deposit during the year under review.

DIRECTORS

Miss Mallika D. Kulkarni appointed as an Additional Director of the company on 30th April 2002 and as a wholetime Director on 2nd May 2002. A member, under section 257 of the Companies Act, 1956 has proposed for appointment as a Director at this forthcoming Annual General Meeting.

Mr. R.P. Mistry resigned as Director of the Company. Mr. J.C. Jani founder Director of the Company expired last year. The Board expresses its sincere gratitude to the great soul.

Mrs. Devika D. Kulkarni retires by rotation and being eligible offer herself for re-appointment.

AUDITORS' REPORT

Relevant notes on accounts are self-explanatory and are as per Annexure to the Auditors' Report.

PERSONNEL

The Company has not paid any remuneration attracting the provisions (Particulars of Employees) Rules, 1975 read along with section 217(2A) of the Companies Act, 1956. Hence no information is required to be appended to this report in this regard.



APPOINTMENT OF AUDITORS

The retiring Auditors M/s. B. K. Khare & Co., Chartered Accountants, Mumbai, retire and being eligible u/s 224(1B) of the companies Act, 1956, offer themselves for re-appointment. The Directors recommended the appointment of M/s. B. K. Khare & Co., Chartered Accountants as the company's Auditor.

ACKNOWLEDGEMENTS

Your Directors convey their sincere thanks to the Government, Banks, Shareholders and customers for their continued support extended to the company at all times.

The Directors further express their deep appreciation to all employees for commendable teamwork, high degree of professionalism and enthusiastic effort displayed by them during the year

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under section 217(2AA) of the Companies Act, 1956, with respect to Directors' Responsibility Statement, it is hereby confirmed:

- (i) That in the preparation of the accounts for the financial year ended 31st March, 2002, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (ii) That the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were 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 and of the profit and loss of the Company for the year under review;
- (iii) 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;
- (iv) That the Directors have prepared the accounts for the financial year ended 31st March 2002 on a 'going concern' basis.

On behalf of the Board of Directors.

Dilip M. Kulkarni
Chairman

M.G. Wagle
Managing Director

Place: Mumbai

Dated: 4th July, 2002



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