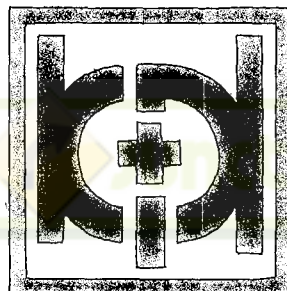


17th ANNUAL REPORT 1997-98

MD	✓		BKC	✓
CS	AA		DY	AA
RO	✓		DIV	AA
TRA	AA		AC	✓
AGM	✓	✓	SHI	✓
YE	✓	✓		



KAPPAC
PHARMA LIMITED





Kappac Pharma Limited

BOARD OF DIRECTORS

SHRI SAMPAT G. SOMANI	Chairman
SHRI SUSHEEL G. SOMANI	Director
SHRI SANJAY S. SOMANI	Director
SHRI GOPALDAS K. MANTRI	Director
SHRI R.S. SODHANI	Executive Director

BANKERS

Central Bank of India,
Worli, Mumbai.

22.12.2019
22.12.2019
22.12.2019

AUDITORS

L.C. JAIN & CO.
Chartered Accountants

REGISTERED OFFICE

41-A, DR. E. MOSES ROAD,
WORLI, MUMBAI - 400 018

FACTORY

PLOT NO. 24,
DEWAN & SONS UDYOG NAGAR, PHASE I,
VILLAGE ALIYALI,
PALGHAR,
DIST. THANE - 401 404.



Kappac Pharma Limited

NOTICE

NOTICE is hereby given that the 17th Annual General Meeting of the members of KAPPAC PHARMA LIMITED will be held on Saturday the 26th December, 1998 at 1.00 p.m. at SHREE S. K. SOMANI MEMORIAL HALL, Hindi Vidya Bhavan, 79, Marine Drive, Mumbai- 400 020 to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 30th June, 1998, Profit & Loss Account for the year ended on that date of the company and the report of the Directors and Auditors thereon.
2. To appoint a Director in place of Shri Sanjay Somani who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Shri Gopal Das K. Mantri who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint Auditors and to fix their remuneration.

SPECIAL BUSINESS :

5. To consider and if thought fit to pass with or without modifications the following resolution as an ordinary resolution.

RESOLVED that pursuant to sections 198, 269, 309 schedule XIII and all other applicable

provisions if any of the Companies Act, 1956 consent of the Company be and is hereby accorded to the re-appointment of Shri R. S. Sodhani as an Executive Director for a further period of THREE YEARS i.e. from 26th September, 1998 to 25th September, 2001 on such salary and other perquisites as has been set out in the explanatory statement annexed to the notice.

NOTES:

- i. 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 OF THE COMPANY.
- ii. The instrument appointing Proxy should be deposited at the Registered Office of the Company not less than 48 hours before the time fixed for meeting.
- iii. The Register of Members and the Share Transfer Book of the Company will remain closed from Wednesday, 23-12-1998 to Saturday, 26th December, 1998 (both days inclusive).

For & on behalf of Board of Directors

Mumbai,
24th November, 1998

Sampat G. Somani
Chairman



Kappac Pharma Limited

EXPLANATORY STATEMENT

Pursuant to Section 173 (2) of the Companies Act, 1956 in respect of the business of Item No. 5.

Item No. 5

The Term of office of Shri R. S. Sodhani as an Executive Director expires on 25th September, 1998. During his tenure as Executive Director Shri R. S. Sodhani has made significant contributions to the Company's growth and profitability. The Board of Directors are of the opinion that Shri R. S. Sodhani with his vast knowledge, experience and insight will continue to make valuable contributions to the future growth and prosperity of the Company. The Board, therefore, recommends the resolution at Item No. 5 for approval of the following terms and conditions.

- a) **Salary** : Rs. 11,000/- per month.
- b) **Perquisites** : In addition to the above the Executive Director will be entitled for the following perquisites.

CATEGORY A :

This will comprise House Rent Allowance, Leave Travel Concession, Medical reimbursement and personal accident insurance. These may be provided as under :-

- i) Housing : Rs. 4,000/- per month
- ii) Education : Rs. 500/- per month
- iii) Medical reimbursement : Rs. 11,000/- per annum
- iv) Leave Travel Concession : Rs. 11,000/- per annum
- v) News paper allowance : Rs. 500/- per month
- vi) Library : Rs. 500/- per month
- vii) Personal Accident Insurance : Rs. 11,000/- per annum

CATEGORY-B :

- i) Contribution to P. F. : @ 12%
- ii) Gratuity : As per rules
- iii) Bonus : As per rules
- iv) Encashment of leave at the end of the tenure will not be included in the computation of the ceiling on perquisites.

CATEGORY C :

Provision of car for use of Company's business and telephone at residence will not be considered as perquisites. Personal long distance calls on telephone and use of car for personal purpose shall be billed by the Company to the Executive Director.

Other terms :

- i) Executive Director shall be entitled to one month's privilege leave on full pay for every eleven months service.
- ii) Executive Director shall be entitled for reimbursement of all or any expenditure actually and properly incurred for Company's business. He shall not be entitled to any sitting fee for attending meeting of the Board of Directors or committees thereof.
- iii) Subject to the superintendence and control of the Board of Directors of the Company, the Executive Director shall be responsible for the day to day management of the Company and shall carry out such duties as may be entrusted to him by the Board of Directors.
- iv) This appointment may be terminated by either party by giving to the other party three months notice in writing.
- v) Compensation for loss of office in case of any termination before 25th September, 2001 would be payable to him as per the provisions of the Companies Act, 1956.

The Board recommends the resolution for your approval.

This may be treated as an abstract of the appointment of Shri R. S. Sodhani, as Executive Director u/s. 302 of the Companies Act, 1956. None of the Directors except Shri R. S. Sodhani is concerned or interested in the Resolution.



Kappac Pharma Limited

DIRECTORS' REPORT

To
The Members,

Your Directors are pleased to present the 17th Annual Report of the Company together with Audited Balance Sheet, Profit & Loss Account for the year ended 30th June, 1998.

FINANCIAL RESULTS : Rupees in Lacs.

	Current Year July 97 to June '98 (for 15 months)	Previous Year April 96 to June 97
Sales & other Income	483.96	506.10
Net Profit before Depreciation	32.19	49.55
Less: Depreciation	4.63	4.22
Net Profit before tax	27.56	45.33
Less : Provision for tax	3.51	
Provision for last year	0.67	2.98
Net Profit for the year	23.38	42.35
Add : Profit/Loss brought forward from last year	5.84	(36.51)
Profit carried forward to Balance Sheet	29.22	5.84

WORKING :

Turnover has increased to Rs. 483.96 lacs from Rs. 404.88 lacs (Rs. 506.10 lacs for 15 months) and Profit margin on Sales Turnover was satisfactory, comparing to corresponding period of last year. The Company could not do the other business income as compared to last year which has resulted into lower profit for the year.

DIVIDEND

Your Directors do not recommended dividend for the year 1997-98.

DIRECTORS

Shri R. S. Sodhani was appointed as an Executive Director of the Company for a period of Three years in the 14th Annual General Meeting of Company held on 30th September, 1995. Which expires on 26-09-98. Your Directors recommend for his appointment for a further period of three years.

Shri Sanjay S. Somani and Shri Gopaldas K. Mantri, Directors retire by rotation & being eligible offer themselves for reappointment.

AUDITORS

The Auditors, M/s. L.C. Jain & Company, Chartered Accountants, retire at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment.

ACKNOWLEDGEMENT :

Your Directors' acknowledge with gratitude the support and assistance extended by its Bank. The Directors also wish to acknowledge the sincere work or services rendered by Executive Staff & Workers at all level.

For & On behalf of Board of Directors

Mumbai
24th November, 1998

Sampat G. Somani
Chairman



Kappac Pharma Limited

FORMING PART OF THE DIRECTORS REPORT FOR THE YEAR ENDED 30TH JUNE, 1998

Information as per section 217 (1) (E) of the Companies Act, 1956 read with Companies (Disclosure of particulars) in the meeting of Board of Directors Rules 1988.

1) Energy Conservation Measures Taken —

The Company's Technical Department continuously monitors enery consumption in the plant and takes the corrective measures for conserving energy.

Disclosure of particulars with respect to conservation of energy.

i) Power & Fuel Consumption :

Electricity :	1997-98	1996-97
A. Purchased Units	151834	—
Total Amount (Rs. in lacs)	6.84	3.93
B. Others	Nil	Nil

2) Technology absorption —**i) Research & Development (R & D) —**

A) Specific Areas in which QC carried by the Company	Development activities of the company are directed towards energy conservation pollution control and quality improvement. Research & Develop-ment efforts were carried out on several areas extending from Raw Materials to product quality improvement.
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3) Foreign Exchange earning & Outgo —**A) Total foreign exchange used & earned —**

	1997-98	1996-97
Used (Rs. in lacs)	56.06	Nil
Earned (Rs. in lacs)	Nil	Nil

Annexure to Directors Report —

Particulars of employees as required under Sub-Section (2A) of Section 217 of Companies Act, 1956 read with Companies (Particulars of Employees) Rules 1975.

NIL

For KAPPAC PHARMA LIMITED

Mumbai,
24th November, 1998

Sampat G. Somani
Chairman