

18TH ANNUAL REPORT 1998-99



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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
SHRI SUHRID S. SOMANI	Whole Time Director

BANKERS

CENTRAL BANK OF INDIA - WORLI, MUMBAI.
BANK OF MAHARASHTRA - WORLI, MUMBAI.
BANK OF MAHARASHTRA - PALAGHAR

AUDITORS

L.C. JAIN & CO.
Chartered Accountants

REGISTERED OFFICE

PARIJAT HOUSE, 2ND FLOOR,
1076, 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 **18th** Annual General Meeting of the members of KAPPAC PHARMA LIMITED will be held on Tuesday the 28th December, 1999 at 4.00 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, 1999, 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 S.G. Somani who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Shri Susheel G. Somani 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 read with Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956 and subject to such approvals and sanctions as may be necessary, the Company hereby accords its consent and approval to the appointment of Shri SUHRID S. SOMANI as a whole time Director of the Company for a period of Three years from 1st April, 1999 to 31st March, 2002 on the terms and conditions (including the remuneration to be paid in the event of loss or inadequacy of profit in any financial year during the aforesaid period) set out in the agreement to be entered into between the Company and Shri Suhrid S. Somani, a draft where of is placed before the meeting and initiated by the Chairman for the purpose of identification, which agreement to hereby

specifically sanctioned with liberty to the Directors to alter and vary the terms and conditions of the said appointment including the remuneration, commission payable and perquisite to be provided to Shri Suhrid S. Somani and or agreement so as not to exceed the limits specified in schedule XIII to the Companies Act, 1956, or any amendments thereto that may from time to time be made and that the Board of Directors of the Company be and is hereby authorised to enter into an agreement with Shri Suhrid S. Somani in terms of the said draft agreement with such modifications as may agreed to by, and acceptable to, the Board of Directors and Shri Suhrid S. Somani.

RESOLVED FURTHER THAT the Board of Directors of the Company be is hereby authorised to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient for the purpose of giving effect to this Resolution.

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 MONDAY, 20th December, 1999 to SATURDAY, 25th December, 1999 (both days inclusive).

For & on behalf of Board of Directors

Mumbai,
30th November, 1999

Sampat G. Somani
Chairman



EXPLANATORY STATEMENT

Pursuant to Section 173 (2) of the Companies Act, 1956

Item No. 5

Shri SUHRID S. SOMANI was appointed as a whole time Director of the Company for a period of Three years from 1st April, 99 to 31st March, 2002 by the Board of Directors its meeting held on 31st March, 99 on the following terms & conditions.

The Company has received a NOTICE u/s. 257 of the Companies Act, 1956 from a member signifying his intention for appointment of Shri Suhrd Somani as a whole time Director of the Company.

- a) Salary — 15,000/- per month
- b) Perquisites — In addition to the above the whole time 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. 9,000/- per month
- ii. Medical Reimbursement — Rs. 15,000/- per annum
- iii. Leave Travel concession — Rs. 15,000/- per annum
- iv. Entertainment — Rs. 15,000/- 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 perquisite. Personal long distance calls on telephone and use of car for personal purposes shall be billed by the Company to the whole time Director.

Other terms :

- i. The whole time Director shall be entitled to one month's privilege leave on full pay for every eleven months service.
- ii. The whole time 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 whole time 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 giving to the other party three months' notice in writing.
- v. Compensation for loss of office in case of any termination before 31st March, 2002 would be payable to him as per the provisions of the Companies Act, 1956.

Your Directors recommend the appointment of SHRI SUHRID S. SOMANI as a whole time Director of the Company.

None of the Directors except Shri Suhrd S. Somani is concerned or interested in the resolution.



Kappac Pharma Limited

DIRECTORS' REPORT

To
The Members,

Your Directors are pleased to present the 18th Annual Report of the Company together with Audited Balance Sheet, Profit & Loss Account for the year ended 30th June, 1999.

FINANCIAL RESULTS : Rupees in Lacs.

	Current Year	Previous Year
Sales & other Income	498.78	478.78
Processing charges for Jobwork	13.76	5.18
Net Profit before Depreciation	62.21	32.19
Less: Depreciation	5.34	4.63
Net Profit before tax	56.87	27.56
Less : Provision for tax	6.71	4.18
Net Profit for the year	50.16	23.38
Add : Excess provision of Tax written back	6.49	—
Add : Profit/Loss brought forward from last year	29.22	5.84
Less : Proposed Dividend	7.68	—
Less : Tax on proposed Dividend	0.84	—
Profit carried forward to Balance Sheet	77.35	29.22

WORKING :

Turnover has increased to Rs. 498.78 lacs from Rs. 478.78 lacs and profit has increased to Rs. 50.16 lacs from Rs. 23.38 lacs. The Company has done Jobwork for Rs. 13.76 lacs in comparison to last year Rs. 5.18 lacs. It can be seen from the Financial Result that the Company's output is satisfactory in comparison to last year.

DIVIDEND

Your Directors recommended dividend 10% on Equity Shares for the year 1998-99.

DIRECTOR

Shri Suhrid S. Somani was appointed as a WHOLE TIME DIRECTOR of the Company to look after the day to day work of marketing for a period of THREE YEARS with effect from 1st April, 99. Your Directors recommended his appointment.

Shri S. G. Somani and Shri Susheel G. Somani, directors of the Company 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 Banks. The Directors also wish to acknowledge the sincere work or services rendered by the Executive Director, Senior Executives, Staff and Workers in all respects.

For & On behalf of Board of Directors

Mumbai
30th November, 1999.

Sampat G. Somani
Chairman