

21st Annual Report 2001-2002

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KAPPAC
Pharma Limited



Kappac Pharma Limited

BOARD OF DIRECTORS

SHRI R.S. SODHANI	Managing Director
SHRI GOPALDAS K. MANTRI	Director
SHRI SANJAY KOTHARI	Director
SHRI VIJAY LAKHOTIA	Director

BANKERS

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

AUDITORS

L.C. JAIN & CO.
Chartered Accountants

REGISTERED OFFICE

APTE INDUSTRIAL ESTATE, 2ND FLOOR,
1076, Dr. E. MOSES ROAD,
WORLI, MUMBAI - 400 018.
TEL. : 4981834

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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 21st Annual General Meeting of the Members of KAPPAC PHARMA LIMITED will be held on Saturday 28th September, 2002 at 1.00 p.m. at Tarabai Hall, 97, Marine Drive, Shiv Prasad, Under Marine Drive Flyover, Marine Drive, Mumbai - 400 020 to transact the following business :-

ORDINARY BUSINESS :

1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 2002. Profit & Loss Account for the period 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 Gopaldas K. Mantri, who was retired by rotation & being eligible, offers himself for reappointment.
3. To appoint a Director in place of Shri Vijay Lakhotia who retires by rotation and being eligible offers to himself for reappointment.
4. To appoint Auditors and to fix their remuneration.

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 of the Company.
2. The instrument appointing Proxy should be deposited at the Registered Office of the Company not less than 48 hours before the time fixed for the meeting.

3. The register of Members and the Share transfer book of the Company will remain closed from Monday 23rd September, 2002 to Saturday 28th September, 2002 (both days inclusive).

4. Members are requested to :

- (1) Quote Folio Number in all correspondence with the Company.
- (2) Notify immediately any change in address with Pin Code Number to the Company or Share Transfer Registrar as address given below :

ADROIT CORPORATE SERVICES PVT. LTD.,
19, JAFERBHOY INDUSTRIAL ESTATE,
1ST FLOOR, MAKWANA ROAD, MAROL
NAKA, ANDHERI (E), MUMBAI - 59.

- (3) Write to the Company at least 15 days in advance if they desire further information or accounts at the meeting, so as to enable the Company to keep the information ready.
- (4) Bring this copy of the Annual Report and the Attendance slip with them to the Annual General Meeting.

For & on behalf of Board of Directors

R.S. Sodhani
Managing Director

Place : Mumbai,
Date : 26th August, 2002



DIRECTOR'S REPORT

To
The Members,

Your Directors are pleased to present the 21st Annual Report of the Company together with Audited Balance Sheet, Profit & Loss Account for the year ended 31st March, 2002.

FINANCIAL RESULTS :	Rupees in Lacs	
	Current Year	Previous Year
Sales & Other Income	641.35	746.53
Processing charges for Job Work	36.31	27.56
Net Profit (Loss) before depreciation	(5.22)	8.95
Less : Depreciation	6.30	8.07
Profit (Loss) before Tax and Extra ordinary items	(11.52)	0.88
Less : Extra Ordinary items		
Diminuation in value of Investment	10.76	—
Profit (Loss) after Extra ordinary items	(22.28)	0.88
Less : Provision for Tax		
Current Tax	—	2.56
Deferred Tax	1.49	—
Profit (Loss) after tax	(20.79)	(1.68)
Add : Balance brought forward from last year	81.52	83.20
Less : Transferred to General Reserve	30.00	—
Balance carried forward to Balance Sheet	30.73	81.52

WORKING :

Sales & Other Income for the year amounting to Rs. 677.66 Lacs as compared to Rs. 697.65 lacs for the previous year a drop of 3%.

The reduction in Turn Over & tight competition in the market. Company reduced the Sales prices. Therefore, Company incurred a Loss of Rs. 11.52 lacs. In overall the Company's output is satisfactory.

DIVIDEND :

In view of loss after provision for Taxation, your Directors regret their inability to recommend a Dividend.

DIRECTORS :

Shri Gopalidas K. Mantri & Shri Vijay Lakhotia retire by rotation at the ensuing Annual General Meeting

and being eligible offer themselves for re-appointment.

Audit Committee :

Pursuant to Section 292A of the Companies Act, 1956 and Clause 49 of listing agreement your Company has constituted an Audit Committee of the Board comprising of Mr. Gopalidas K. Mantri, Mr. Vijay Lakhotia and Mr. Sanjay Kothari, all being independent Directors with independent judgement in the deliberation and decisions of the Board as well as the Audit Committee. The terms of reference to this Committee covers all the matters specified under Section 292A of the Companies Act, 1956 and also all the matters listed under the listing agreement with stock exchange.

Directors' Responsibility Statement :

Pursuant to Section 217 (2AA) of the Companies (Amendment) Act, 2000 the Directors confirm that :

1. In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation related to material departures;
2. Appropriate Accounting policies have been selected and applied consistently, and judgements and estimates that are reasonable and prudent have been made so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2002 and of the Loss of the Company for the year ended 31st March, 2002;
3. Proper and sufficient care has been taken, to the best of their knowledge and ability, 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;
4. The annual accounts have been prepared on a going concern basis.

AUDITORS :

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



Kappac Pharma Limited

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

Place : Mumbai

Date : 26th August, 2002

(R.S. SODHANI)

Managing Director

ANNEXURE TO THE DIRECTORS' REPORT

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 energy 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 :	2001-2002	2000-2001
A. Purchased Units	125191	240826
B. Total Amount (Rs. in Lacs)	88.29	11.55
C. 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 & Development efforts were carried out on several Areas extending from Raw Materials to product Quality improvement.

3) Foreign Exchange used & earned —

	2001-2002	2000-2001
Used for revenue import (Rs. in Lacs)	Nil	27.62
Earned (Rs. in Lacs)	Nil	Nil

4) 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

Place : Mumbai

Date : 26th August, 2002

For & On behalf of Board of Directors
(R.S. SODHANI)

Managing Director



Kappac Pharma Limited

AUDITORS' REPORT

TO THE MEMBERS OF
KAPPAC PHARMA LIMITED.

We have audited annexed Balance Sheet of KAPPAC PHARMA LIMITED as at 31st March 2002 and also the Profit & Loss Account for 9 months period ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

1. As required by The Manufacturing and Other Companies (Auditor's Report) Order, 1988 issued by Central Government in terms of sub section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.
2. Further to our comments in the annexure referred to above in paragraph 1 above :
 - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - b) In our opinion, proper Books of Accounts as required by law have been kept by the company so far as appears from our examination of such Books.

- c) The Balance Sheet and Profit & Loss Account, dealt with by this report are in agreement with the Books of Accounts.
- d) In our opinion the balance sheet and profit and loss account dealt with by this report comply with the accounting Standards referred to in sub-section (3C) of the section 211 of The Companies Act, 1956.
- e) On the basis of written representations received from the directors as on 31st March 2002 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2002 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
- f) In our opinion, and to the best of our information and according to the explanations given to us, the said financial statements, read together with the Notes forming part thereof, give the information required by the Companies Act, 1956, in the manner so required and present a true and fair view in conformity with the accounting principles generally accepted in India :
 - i) In the case of Balance Sheet of the state of affairs the Company as at 31st March, 2002, and
 - ii) In the case of the Profit and Loss Account, of the "LOSS" for the period ended on that date.

**FOR L. C. JAIN & COMPANY
CHARTERED ACCOUNTANTS**

PLACE : MUMBAI

DATED : 26th August, 2002

(L. C. JAIN)
PROPRIETOR