

22nd Annual Report
2002-2003

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KAPPAC
Pharma Limited



BOARD OF DIRECTORS

SHRI R.S. SODHANI	Managing Director
SHRI GOPALDAS K. MANTRI	Director
SHRI VIJAY LAKHOTIA	Director
SHRI OMPRAKASH LAHOTI	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

8A, MOHATTA BHAVAN, 1ST FLOOR,
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.



NOTICE

NOTICE is hereby given that the 22nd Annual General Meeting of the Members of KAPPAC PHARMA LIMITED will be held on Saturday 27th September, 2003 at 11.30 a.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, 2003. 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 Auditors and to fix their remuneration.
3. To appoint a Director in place of Shri Vijay Lakhotia who retire by rotation and being eligible offer to himself for re-appointment

4. SPECIAL BUSINESS :

To consider and if thought fit to pass with or without modification. The following Resolution as an Ordinary Resolution -

"RESOLVED that Mr. Omprakash Lahoti, who was appointed as an additional Director and in respect of whom notice under Section 257 of the Companies Act, 1956 has been received from a member be & is hereby appointed as a Director of the Company liable to retirement by rotation."

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 22nd September, 2003 to Saturday 27th September, 2003 (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

Place : Mumbai,
Date : 27th August, 2003

R.S. Sodhani
Managing Director

EXPLANATORY STATEMENT

PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

Shree Omprakash Lahoti was appointed as additional Director of the Company by the Board of Directors as its meeting held on 31st July, 2003.

As Additional Director Shri Omprakash Lahoti shall hold its office upto the date of Annual General Meeting of the Company has received Notice U/s 257 of the Companies Act, 1956 from member together with required deposits signifying their intension for appointment of Shri Omprakash Lahoti as Director of the Company.

Your Directors recommend appointment of Shri Omprakash Lahoti as Director liable to retire by rotation.

None of the Directors except Shri Omprakash Lahoti the appointee is concerned or interested in the resolution.

For & on behalf of Board of Directors

Place : Mumbai,
Date : 27th August, 2003

R.S. Sodhani
Managing Director



DIRECTOR'S REPORT

To
The Members,

Your Directors are pleased to present the 22nd Annual Report of the Company together with Audited Balance Sheet, Profit & Loss Account for the year ended 31st March, 2003.

FINANCIAL RESULTS : (Rupees in Lacs)

	Current Year	Previous Year
Sales & Other Income	729.36	641.35
Processing charges for Job Work	31.37	36.31
Net Profit (Loss) before depreciation	(2.23)	(5.22)
Less : Depreciation	8.78	6.30
Profit (Loss) after depreciation	(11.01)	(11.52)
Less : Extra Ordinary item		
(Diminuation in value of Investment)	—	10.76
Profit (Loss) after Extra ordinary item	(11.01)	(22.28)
Less : Provision for Tax		
Deferred Tax credit	10.78	1.49
Profit (Loss) after tax	(0.23)	(20.79)
Add : Balance brought forward from last year	30.73	81.52
Less : Transferred to General Reserve	—	30.00
Balance carried forward to Balance Sheet	30.50	30.73

WORKING :

It can be seen from the Financial Result of the Company in overall the Company's output is satisfactory as company incurred a loss of Rs. 11.01 Lacs in comparison to previous year Rs. 11.52.

DIVIDEND :

In view of loss, your Directors regret their inability to recommend a Dividend.

DIRECTORS ;

Shri Vijay Lakhota retire by rotation at the ensuing Annual General Meeting and being eligible offer to himself for reappointment.

Shri Omprakash Lahoti has been appointed as additional Director of the Company w.e.f. 1st July, 2003 by the Board of Directors at its meeting held on 31st July, 2003.

In accordance with the provision of the Companies Act, 1956 and the Company's Article of Association

Shri Omprakash Lahoti is liable to retire by rotation and he being eligible offers himself to reappointment.

Shri Sanjay Kothari resigned w.e.f. 30th April 2003. The Board records its appreciation for the contribution made by him during his tenure as Directors of the Company.

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. Gopaldas K. Mantri and Mr. Vijay Lakhota 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, 2003 and of the Loss of the Company for the year ended 31st March, 2003;
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.



Kappac Pharma Limited

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.

Directors also wish to acknowledge the sincere work or services rendered by the Managing Director, Senior Executives, Staff and Workers in all respects.

ACKNOWLEDGEMENT :

Your Directors' acknowledge with gratitude the support and assistance extended by its Banks. The

For & on behalf of Board of Directors

Place : Mumbai,
Date : 27th August, 2003

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 :	2002-2003	2001-2002
A. Purchased Units	265772	125191
B. Total Amount (Rs. in Lacs)	14.06	8.33
C. Others	Nil	Nil

2) Technology absorption —

- | | |
|--|---|
| 1. Specific Areas in which QC & Assurance carried by the Company | QC & Assurance were carried out analysis & testing from Raw materials to product Quality improvement. |
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3) Foreign Exchange used & earned —

	2002-2003	2001-2002
Used for revenue import (Rs. in Lacs)	Nil	Nil
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 —

For & on behalf of Board of Directors

Place : Mumbai,
Date : 27th August, 2003

R.S. Sodhani
Managing Director