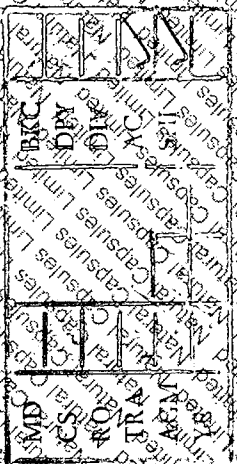


FIFTH ANNUAL REPORT 2011-12



**NATURAL  
CAPSULES  
LIMITED**

**NATURAL CAPSULES LIMITED**  
**BANGALORE**

## FIFTH ANNUAL REPORT 1997-98

---

### BOARD OF DIRECTORS

Srirangam Gopalan	Chairman
Satyanarayan Mundra	Vice Chairman
Laxminarayan Mundra	Whole-time Director
C.P.Rangachar	Director
Dr. C.M. Gurumurthy	Director
V. Subramony	Director
Sunil L. Mundra	Managing Director
Sushil Kumar Mundra	Director

### BANKERS & FINANCIAL INSTITUTIONS

M/s. Industrial Development Bank of India  
No.27, IDBI House  
Mission Road  
**BANGALORE - 560 027**

M/s. Karnataka State Industrial Investment &  
Development Corporation Limited  
'MSIL' # 36, Cunningham Road  
**BANGALORE - 560 052**

M/s. State Bank of India  
City Branch  
J.C. Road  
**BANGALORE - 560 002**

### AUDITORS

M/s. Gnanoba & Bhat  
Chartered Accountants  
211, Commerce House  
9/1, Cunningham Road  
**BANGALORE - 560 052**

### REGISTERED OFFICE

Bhavani Towers  
No.1, Hosur Main Road  
Wilson Garden  
**BANGALORE - 560 027**

### FACTORY

Plot No.7A-2, KIADB Industrial Area  
Attibele  
**BANGALORE - 562 107**

## NATURAL CAPSULES LIMITED

### NOTICE

Notice is hereby given to all the members of the Company that the 5th Annual General Meeting of the Company will be held at Hotel Woodlands, # 5, Raja Ram Mohan Roy Road, Bangalore - 560 025, on Monday the 24th August 1998 at 10.00 A.M. to transact the following business.

#### ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Accounts for the year ended 31st March 1998, along with the Director's and Auditor's Reports thereon.
2. To appoint a director in the place of Sri. Sathyanarayan Mundra, the retiring director, who being eligible, offers himself for re-appointment.
3. To appoint a director in the place of Sri. Sushil Kumar Mundra, the retiring director, who being eligible, offers himself for re-appointment.
4. To appoint Auditors and to fix their remuneration M/s. Gnanoba & Bhat, Chartered Accountants, Bangalore retire at this Annual General Meeting and they are eligible for re-appointment.

#### SPECIAL BUSINESS :

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

"Resolved that pursuant to Section 269, 309, 198 read with Schedule - XIII and other applicable provisions, and if any, of the Companies Act, 1956, Clause 95(1) of Companies Articles and the approval of Central Govt. if necessary, Sri. Sunil L. Mundra be and is hereby re-appointed as Managing Director of the Company with effect from 1.4.99, for a period of 5 years as per the terms and conditions of the draft copy of agreement which is initialled by the Chairman for the purpose of identification and that the remuneration as stated in the draft copy of agreement, shall be construed as minimum remuneration in case of absence or inadequacy of profit."

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

"Resolved that pursuant to Section 269, 309, 198 read with Schedule - XIII and other applicable provisions, if any, of the Companies Act, 1956, Clause 95(1) of

Companies Articles and the approval of Central Govt. if necessary, Sri. Laxminarayan Mundra be and is hereby re-appointed as Wholetime Director of the Company with effect from 1.4.99, for a period of 5 years as per the terms and conditions of the draft copy of agreement which is initialled by the Chairman for the purpose of identification and that the remuneration as stated in the draft copy of agreement, shall be construed as minimum remuneration in case of absence or inadequacy of profit."

For & on behalf of the Board

(SUNIL L. MUNDRA)  
Managing Director

Bangalore  
29th June, 1998

#### NOTE :

1. A Member who is entitled to attend and vote at the Meeting is entitled to appoint a proxy and that proxy need not be a member. Proxy form to be effective shall reach the registered office of the company not less than 48 hours before the meeting.
2. Members Register and Transfer Register will remain closed from 18.08.1998 to 24.08.1998 (both the days inclusive) .
3. Members are requested to bring duly filled in attendance slips at the the time of meeting.
4. Proxy form is attached.
5. Agenda 5 & 6 - Explanatory statement under Section 173(2) of the Companies Act, 1956.

The Board of Directors in its meeting held on 29th June 1998, decided to renew the appointment of Sri.Sunil L. Mundra as Managing Director and Sri.Laxminarayan Mundra as Wholetime Director, for a period of another 5 years with effect from 1.4.99 on the following remuneration and other terms and conditions as per the copy of draft agreement which is available for inspection at the registered office of the Company during office hours.

**FIFTH ANNUAL REPORT 1997-98**

The remuneration and other benefits are identical for both Managing Director and Wholetime Director, and are as follows :

**REMUNERATION :****1. SALARY :**

Rs.15,000/- p.m. w.e.f. 1.4.1999 on a Time Scale of Rs.15,000-5,000-35,000 which is however subject to the ceilings provided from time to time under Schedule XIII of the Companies Act, 1956, having regard to then effective capital of the Company.

**2. COMMISSION :**

1% on Net Profit subject to the overall ceiling under Section 198 and Section 309 of the Companies Act, 1956.

**3. HOUSING :**

- a) In case of furnished accommodation hired by the Company, such expenditure not exceeding 60% of the salary over and above 10% payable by him.
- b) In case no accommodation is provided by the Company, he shall be entitled to House Rent Allowance subject to ceiling laid in Clause (a) above.
- (c) The expenditure incurred by the Company on gas, electricity, water and furnishings shall be valued as per Income-tax Rules, 1962, which shall however be subject to a ceiling of 10% of the Salary.

**4. MEDICAL REIMBURSEMENT :**

Medical reimbursement of the expenses incurred by them for self and their family subject to a ceiling of one month's salary in a year or 3 months salary over a period of 3 years.

**5. LEAVE TRAVEL CONCESSION.:**

Leave Travel Concession for them and their family once in a year in accordance with rules of the Company.

**6. CLUB FEES :**

Fees of the clubs subject to a maximum of 2 Clubs. This will not include admission and life membership fee.

**7. PERSONAL ACCIDENT INSURANCE :**

Personal Accident Insurance of an amount the Annual Premium for which does not exceed Rs.4,000/- (Rupees four thousand only).

**8. CONTRIBUTION TO PROVIDENT FUND, SUPER ANNUATION FUND OR ANNUITY FUND :**

As per rules of the Company to the extent these, either singly or put together are not taxable under the Income-tax Act, 1961.

**9. GRATUITY PAYABLE :**

Shall not exceed half a month's salary for each completed year of service.

**10. CAR :**

The Company shall provide a Car with a Driver and a Telephone at his residence. Personal long distance calls and use of Car for private purposes shall be billed by the Company, to them.

Considering the phenomenal contributions made by Mr. Sunil L Mundra in his capacity as Managing Director and Mr. Laxminarayan Mundra as Wholetime Director, to the progress of the Company and also considering the fact that inspite of delay in installation of machineries and the general depressing economic scenario, the Company has been able to turn the corner and make profits in the just concluded year ended 31st March 1998, the Board of Directors in their wisdom, decided to revise the remuneration of the aforesaid Directors and also to renew their term of appointment for another 5 years.

Excepting Mr. Sunil L Mundra, Mr. Laxminarayan Mundra, Mr. Sushil Kumar Mundra and Mr. Sathyanarayan Mundra, other Directors are not interested in this item of business.

As the re-appointment and remuneration of working directors requires members approval, the resolutions as stated in Agenda 5 & 6 are commended for members consent.



**NATURAL CAPSULES LIMITED****DIRECTOR'S REPORT****TO THE MEMBERS**

Your directors hereby present the Fifth Annual report together with the Audited Accounts of the Company for the period ended 31st March 1998.

**1. ACCOUNTING YEAR :**

The previous accounting year covered a period of 12 months as compared to 9 months in the current financial year.

**2. WORKING RESULTS :**

With the commissioning of all the three capsule making machines your company could substantially improve upon its performance during the period under consideration, as compared to the previous years.

The comparative financial results for the period are as under :

	1997-98 Rs. in lacs	1996-97 Rs. in lacs
Sales & Other Income	355.78	300.09
Profit before Depreciation and Interest	111.75	111.73
Depreciation	38.29	42.42
Interest	56.08	76.48
Profit / (Loss)	17.38	(7.17)
Provision for MAT	3.50	—
Profit after tax	13.88	—

Your directors are hopeful of maintaining the performance in the coming years.

**3. FORMULATION PROJECT :**

During the year under review, the company was in the process of implementation of the Project for manufacturing of capsules in dosage form at a total outlay of Rs. 135 lacs, which is being financed by promoters contribution of Rs. 45 lacs and term loan of Rs. 90 lacs sanctioned by M/s KSIIDC Limited. The project is likely to be commissioned by August 1998.

**4. STATEMENT UNDER CLAUSE 43 OF THE LISTING AGREEMENT :****A. PROJECTION Vs PROFITABILITY :**

Projection for the period under review as per prospectus dated 4th July 1994 Vs the actuals is as under :

	Projection for the year ending 31.03.98 12 months (Rs. in lacs)	Actual for the year ending 31.03.98 9 months (Rs. in lacs)
Sales	547	356
PBDIT	271	112
PAT	97	14

The above Projection Vs Profitability figures are not comparable as the actual figures are for a period of 9 months against projections for a period of 12 months.

**5. DIRECTORS :**

During the year under review, Sri. Satyanarayan Mundra and Sri. Sushil Kumar Mundra retire at this Annual General Meeting, and being eligible offer themselves for re-appointment.

**6. DISCLOSURE OF PARTICULARS AS PER BOARD'S REPORT RULES 1988 :****A. CONSERVATION OF ENERGY:**

The Company has installed power saving devices, as a result of which the consumption of energy per one lac of capsules produced has come down. The particulars as per Form A is attached to this report.

**B. RESEARCH & DEVELOPMENT AND TECHNOLOGY ABSORPTION :**

There was no R & D work during the year. The manufacturing process of the company does not involve any imported technology and hence, the question of technology absorption does not arise.