

**Annual  
Report**  
31st March  
2000

**KANORIA GROUP**

Report  junction.com



KANORIA GROUP

**Kanoria Industries Limited**

**BOARD OF DIRECTORS****A. K. Kanoria**

(Chairman &amp; Managing Director)

**E. B. Desai****M. S. Sanganerla****M. L. Daga****Sushil K. Jalan****Alok Chakrabarti****Dr. Ram Tarneja**

(Alternate to Alok Chakrabarti)

**N. Ramachandran****Dr. N. A. Kalyani****STATUTORY AUDITORS**

Messrs Haribhakti &amp; Co.

Messrs Santhappa &amp; Co.

**COST AUDITORS**

Messrs B.J.D. Nanabhoy &amp; Co.

**SOLICITORS**

Kanga &amp; Co.

Mulla &amp; Mulla &amp; Craigie Blunt &amp; Caroe

**BANKERS**

Syndicate Bank

Canara Bank

Dena Bank

**REGISTRARS AND TRANSFER AGENTS**

Bigshare Services Pvt. Ltd.

E-2, Ansa Industrial Estate,

Saki Vihar Road, Saki Naka,

Andheri (E), Mumbai - 400 072

Tel. No. : (022) 856 0652 / 653

Fax No. : (022) 852 5207

**REGISTERED OFFICE**

Air India Building

14th Floor,

Nariman Point,

Mumbai - 400 021.

**FACTORY**

Bagalkot, Dist. Bagalkot

Karnataka - 587 111.

## ANNUAL REPORT 1999-2000

## 50th Annual General Meeting

Time	11.30 A. M.
Day	Thursday, 14th September, 2000
Venue	Ashoka Hall, Arcadia, Nariman Point, Mumbai 400 021

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## HIGHLIGHTS

(Rs. In Lacs)

YEAR	1999-2000	1998-99	1997-98	1996-97	1995-96
SALES	3303.79	7763.86	6854.67	5875.75	5275.81
OTHER INCOME	27.13	54.99	72.93	193.52	163.39
INCREASE/(DECREASE) IN STOCK OF SEMI-FINISHED AND FINISHED GOODS	24.34	(488.91)	325.27	226.42	255.74
RAW MATERIAL CONSUMED	131.04	377.09	361.20	321.61	264.97
MANUFACTURING & OTHER EXPENSES	3630.33	7377.99	6093.91	5075.95	4450.67
PROFIT/(LOSS) BEFORE INTEREST & DEPRECIATION	(406.11)	(425.14)	797.76	898.13	979.30
INTEREST	609.33	899.98	654.27	565.49	396.42
CASH PROFIT/(LOSS)	(1015.44)	(1325.12)	143.49	332.64	582.88
DEPRECIATION	159.36	239.48	205.32	255.70	252.82
PROFIT /(LOSS) BEFORE TAX	(1174.80)	(1564.60)	(61.83)	76.94	330.06
PROFIT /(LOSS) AFTER TAX	(1174.80)	(1564.60)	(61.83)	76.94	330.06
EQUITY DIVIDEND INCLUDING TAX	-	-	-	47.60	64.91
GROSS FIXED ASSETS	15171.26	15150.33	14945.31	14347.86	13959.18
NET FIXED ASSETS	8661.91	9197.98	9919.11	10021.27	10448.78
INVESTMENTS	128.11	127.61	213.02	213.02	213.02
NET CURRENT ASSETS	43.77	857.21	2136.76	1838.52	1216.89
MISCELLANEOUS EXPENSES TO BE WRITTEN OFF	86.45	99.36	144.69	136.32	103.92
SHARE CAPITAL	854.54	854.54	854.45	432.70	432.70
RESERVES & SURPLUS	6198.31	6614.57	7809.50	8497.27	9193.23
SHARE HOLDERS' FUNDS	4724.43	6302.58	8519.26	8793.65	9522.01
BORROWINGS-LONG TERM	1905.16	1796.42	1802.45	1315.19	1219.59
BORROWINGS-SHORT TERM	2204.20	2083.80	1947.18	1963.97	1137.09
PROFIT BEFORE TAX AS % OF SALES	-	-	-	1.31	6.26
CASH EPS RS.	-	-	1.68	7.69	13.47
NET EPS RS.	-	-	-	1.78	7.62
DIVIDEND RS. PER EQUITY SHARE	-	-	-	1.00	1.50
BOOK VALUE RS. PER EQUITY SHARE	55.29	73.75	99.70	203.23	220.06
RETAINED EARNINGS	-	-	143.49	285.04	517.97

Note : Revaluation of Fixed Assets as on 31-3-1996 has resulted in increasing the book value thereof by Rs. 83.74 crores. This has had corresponding effect in increasing the amount of Gross fixed Assets, Net fixed Assets, Reserves and Surplus, Shareholders' Funds and Book Value of Equity Shares from the year 1995-96 in the above Chart.

**NOTICE**

Notice is hereby given that the 50th ANNUAL GENERAL MEETING of the Shareholders of KANORIA INDUSTRIES LIMITED will be held at Ashoka Hall, Arcadia, Nariman Point, Mumbai 400 021 on Thursday, the 14th September, 2000 at 11.30 A.M. to transact the following business:

**AS ORDINARY BUSINESS**

1. To consider and adopt the Directors' Report and the audited Balance Sheet and Profit & Loss Account for the period ended 31st March, 2000.
2. To appoint a Director in place of Shri M.L. Daga who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint a Director in place of Shri A.K. Chakrabarti who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint a Director in place of Shri N. Ramachandran who retires by rotation and being eligible, offers himself for reappointment.
5. To appoint Auditors and to fix their remuneration.

**AS SPECIAL BUSINESS**

To consider and, if thought fit, to pass with or without modifications, as may be permissible, the following resolutions which will be proposed as :

**6. A Special Resolution**

"RESOLVED THAT pursuant to the provisions of Sections 16, 94 and other applicable provisions, if any, of the Companies Act, 1956, the Authorised Share Capital of the Company be and is hereby increased from Rs.45,00,00,000/- (Rupees Forty Five Crores) divided into 3,00,00,000 Equity Shares of Rs.10/- each and 15,00,000 Preference Shares of Rs.100/- each as at present to Rs.1,00,00,00,000/- (Rupees One hundred crores) divided into 8,50,00,000 Equity Shares of Rs.10/- each and 15,00,000 Preference Shares of Rs.100/- each by the creation of 5,50,00,000 (Five Crores Fifty Lacs) new Equity Shares of Rs.10/- each and consequently the existing Clause V of the Memorandum of Association of the Company relating to the share capital be and is hereby amended by deleting the same and substituting in its place and stead the following as new Clause V of the Memorandum of Association of the Company:

- V. The Authorised Share Capital of the Company is Rs.1,00,00,00,000/- (Rupees One Hundred Crores) divided into 8,50,00,000 Equity Shares of Rs.10/- each (including non-voting equity shares, if permitted under the Law) and 15,00,000 Preference Shares of Rs.100/- each with power to increase or reduce the capital of the Company in accordance with the relevant provisions of the Articles of Association of the Company and the legislative provisions for the time being in force in this behalf and with power to divide the Shares in the capital

for the time being into several classes and to attach thereto respectively such preferential, qualified or special rights, privileges or conditions as may be determined by or in accordance with the provisions of the Act, and the regulations of the Company and to vary, modify or abrogate any such rights, privileges or conditions in such manner as may for the time being be provided by the regulations of the Company".

**7. A Special Resolution**

"RESOLVED that in accordance with the provisions of Section 81 and other applicable provisions, if any, of the Companies Act, 1956 and the provisions of the Memorandum and Articles of Association of the Company and subject to such consents and such other approvals as may be necessary of all appropriate authorities including the Reserve Bank of India and the Securities and Exchange Board of India and subject to such conditions and modifications as may be considered necessary by the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include any committee thereof for the time being exercising the powers conferred on the Board by this Resolution) or as may be prescribed or made in granting such consents and approvals and which may be agreed to by the Board, the consent of the Company be and is hereby accorded to the Board to issue on behalf of the Company and allot in one or more tranches to Foreign Financial Institutions / Investors / Companies and/or to Indian Investment Institutions/Investors, whether shareholders of the Company or not (hereinafter collectively referred to as "Investors") through a public issue and/or on private placement basis and/or on preferential allotment basis, as the Board may deem advisable in the prevailing market situation, Equity Shares and/or securities convertible into Equity Shares and/or securities linked to Equity Shares and/or securities with Share warrants and/or any other Share related instruments, including convertible bonds or bonds with Share Warrants attached with a right exercisable by the warrant holder to subscribe for Equity Shares (hereinafter collectively referred to as "Securities") as may be thought fit upto an amount not exceeding Rs.90 Crores (Rupees Ninety Crores) inclusive of such premium as may be payable on the Equity Shares - at such time or times, on such terms and at such price or prices as the Board in its absolute discretion deems fit; in consultation with the Lead Managers and/or Underwriters and/or other Advisors and with powers to delegate such authority to such person(s) and substitution of such authority as the Board may deem fit, on behalf of the Company;

RESOLVED FURTHER that the consent of the Company be and is hereby accorded in terms of Section 293(1)(a) and other applicable provisions, if any, of the Companies Act, 1956 and subject to all necessary approvals, to the Board to secure, if necessary or desirable, all or any of the above mentioned securities to be issued, by the creation of a

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mortgage and/or charge on all or any of the Company's immovable and/or movable assets, both present and future in such form and manner and on such terms with such ranking as to priority as may be deemed fit and appropriate by the Board;

RESOLVED FURTHER that for the purpose of giving effect to this resolution, the Board be and is hereby authorised on behalf of the Company to do and perform all such acts, deeds, matters and things as it may in its absolute discretion deem necessary, proper or desirable or as may be incidental or ancillary and to settle all questions, difficulties or doubts that may arise in regard to such offer, issue or allotment of the Securities, including modifying the detailed terms and conditions of the Issue, the manner and mode of conversion, rate of premium, application for listing of the securities or any other matter as may be considered necessary or expedient and/or as may be specified in the requisite approvals; without being required to obtain any further consent or approval of the members or otherwise, to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution".

#### 8. A Special Resolution

"RESOLVED that supplemental to the resolution passed by the members at the Annual General Meeting held on 27.8.1997 and pursuant to the provisions of Section 163 and other applicable provisions, if any, of the Companies Act, 1956, the Registers of Members and Debentureholders, Indexes, Returns and Copies of all the Annual Returns prepared under section 159 together with the copies of certificates and documents required to be annexed thereto, be kept at the Office of the Company's Registrars and Transfer Agents, M/s. Bigshare Services Pvt Ltd, E-2, Ansa Industrial Estate, Saki Vihar Road, Saki Naka, Andheri (East), Mumbai 400 072, instead of being kept at the Registered Office of the Company and the same be and shall remain open for inspection between 11.00 A.M. to 1.00 P.M. on any working day except Saturday unless they are closed under the provisions of the Companies Act, 1956".

By Order of the Board  
For KANORIA INDUSTRIES LIMITED

M. L. DAGA

Director & Secretary

Mumbai, 28th July, 2000

#### NOTES:

- (a) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.
- (b) The relative Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 is annexed hereto.
- (c) The Register of Members and Share Transfer Books of the Company will remain closed from Saturday, the 9th September, 2000 to Thursday, the 14th September, 2000. (both days inclusive).
- (d) Members are requested to intimate the change of address, if any, immediately to the Company's Registrars and Transfer Agents, M/s. Bigshare Services Pvt Ltd, E-2, Ansa Industrial Estate, Saki Vihar Road, Saki Naka, Andheri (East), Mumbai 400 072.
- (e) Members are hereby informed that the Company has transferred to the Central Government all unclaimed dividends declared upto and including the accounting year ended 31st March, 1995. Hence, to claim dividend upto the said period, the members are requested to make an application to the Registrar of Companies, Maharashtra, Hakoba Mills Compound, Dattaram Lad Marg, Mumbai 400 033, in the prescribed Form No.II under the Companies Unpaid Dividend (Transfer to General Revenue Account of the Central Government) Rules, 1978. The unclaimed dividends pertaining to the financial year 1995-96 and 1996-97 will be transferred in November 2003 and October 2004 respectively to Investor Education and Protection Fund in terms of amended Section 205A of the Companies Act, 1956.
- (f) Members, who have not encashed their dividend warrants for the years 1995-96 and 1996-97 may please write immediately to the Company's Registrars and Transfer Agents. It may also be noted that once the unclaimed dividend is transferred to Government, as above, no claims shall lie in respect of such amount.
- (g) Members who are holding shares in identical order of names in more than one folio are requested to intimate the Registrars and Transfer Agents of the Company, the Ledger Folio of such accounts and send all the Share Certificates to the Registrars to enable them to consolidate their holdings under one folio.
- (h) The Equity Shares of the Company are listed in the following Stock Exchanges and Annual Listing Fees have been paid to each of them:-
  - (1) The Stock Exchange, Mumbai, Phiroze Zeejeebhoy Towers, Dalal Street, Mumbai 400 001.
  - (2) The Calcutta Stock Exchange Association Ltd 7, Lyons Range, Calcutta 700 001.
  - (3) The Delhi Stock Exchange Association Ltd 3&4/4B, Asaf Ali Road, New Delhi 110 002.
- (i) Nomination facility for shares is now available for members. The prescribed format in this regard can be obtained from the Company's Registrars and Transfer Agents at the address as stated in note (d) above.



**ANNEXURE TO THE NOTICE**

Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956.

**Item No.6**

The present Authorised Share Capital of the Company is Rs.45,00,00,000/- divided into 3,00,00,000 Equity Shares of Rs.10/- each and 15,00,000 Preference Shares of Rs.100/- each.

In view of the proposed issue of capital as set out in Item No.7 of the Notice, which would be in excess of the present Authorised Share Capital of the Company and to provide for further contingencies also, it is necessary for the Company to increase the Authorised Share Capital from Rs.45,00,00,000/- to Rs.1,00,00,00,000/- by the creation of further 5,50,00,000 new Equity Shares of Rs.10/- each.

The amendment of the Clause V of the Memorandum of Association of the Company is proposed for this purpose.

The Directors accordingly, commend the resolution set out under item No.6 of the Notice for the approval of the Shareholders.

None of the Directors of the Company is in any way concerned or interested in this resolution except as Shareholders of the Company.

A copy of the existing Memorandum and Articles of Association of the Company together with the proposed amendment is available for inspection at the Registered Office of the Company during business hours, on any working day (except Saturdays) upto the date of ensuing Annual General Meeting.

**Item No.7**

Considering the present difficult financial position of the Company, the Board of Directors of your Company are of the opinion that it is necessary to strengthen the financial position of the Company to meet the long-term working capital needs and to convert the networth from negative to positive for the future growth of the company by the infusion of fresh equity. The Board of Directors is exploring the possibility of inducting a strategic partner for implementing the intended expansion project of the Company's cement plant at Bagalkot. Hence this resolution.

Section 81 of the Companies Act, 1956 provides, inter alia, that whenever it is proposed to increase the Subscribed Capital of a Company by allotment of further shares, such further shares shall be offered to the persons who as on the date of the offer are holders of the Equity Shares of the Company in proportion to the capital paid-up on that date unless the Shareholders in General Meeting decide otherwise. The Listing Agreements executed by the Company with the various Stock Exchanges also provide that the Company shall, in the first instance, offer all securities for subscription pro rata to the Equity Shareholders unless the Shareholders in a General Meeting decide otherwise. The consent of the Shareholders is, therefore, sought to authorise the Board

of Directors as set out in the Resolution under item No.7 to issue in one or more tranches the Securities referred to in the resolution to Foreign Financial Institutions/ Investors/Companies and/or to Indian Investment Institutions/Investors, whether shareholders of the Company or not, through a public issue or on private placement basis and/or on preferential basis as may be deemed appropriate considering the existing market condition.

The proposed offer is in the interest of the Company and your Directors commend the Resolution for acceptance.

None of the Directors is interested or concerned in the resolution.

**Item No.8**

The Register of Members of the Company, the Index of Members, the Register and Index of Debentureholders and copies of all Annual Returns prepared under Section 159 of the Companies Act, 1956 together with the copies of certificates and documents required to be annexed thereto are required to be kept at the Registered Office of the Company. However, the Company may keep the said documents at any other place within the city in which the Registered Office is situated, if Special Resolution as is set out in item no.8 of the accompanying Notice is passed by the Company, having regard to the provisions of Section 163 of the Companies Act, 1956.

The Company had earlier passed such resolution at the Annual General Meeting held on 27.8.1997 for keeping the Register and Indexes of Members etc., at the premises of the Registrar & Transfer Agents, viz. Bigshare Services Pvt Ltd (BSPL), who have since shifted their office premises to E-2, Ansa Industrial Estate, Sakivihar Road, Saki Naka, Andheri (East), Mumbai 400 072.

Accordingly, the resolution as set out in item no.8 of the accompanying notice is proposed in supersession of the earlier resolution passed by the shareholders at the earlier Annual General Meeting held on 27.8.1997 to enable the aforesaid Registers and documents to be kept at the new office of BSPL situated at E-2, Ansa Industrial Estate, Sakivihar Road, Saki Naka, Andheri (East), Mumbai 400 072.

A copy of the proposed Special Resolution is being sent to the Registrar of Companies, Maharashtra in advance as required by the said Section 163.

The Directors accordingly, commend the resolution for the approval of shareholders.

None of the Directors of the Company is in any way concerned or interested in the resolution.

By Order of the Board  
For KANORIA INDUSTRIES LIMITED

M. L. DAGA

Director & Secretary

Mumbai, 28th July, 2000

## ANNUAL REPORT 1999-2000

## DIRECTORS' REPORT

To

The Shareholders

The Directors hereby present the 50th Annual Report and audited Accounts of the Company for the nine months period from 1st July, 1999, to 31st March, 2000.

## FINANCIAL RESULTS

	Current Year (9 months) (Rs. in lacs)	Previous Year (15 months) (Rs. in lacs)
After meeting all operating and administrative expenses, the working of the period shows a surplus/(deficit) of	(406.11)	(425.14)
Less:		
Interest	609.33	899.98
Depreciation	159.36	239.48
Net Profit/(Loss) of the Year	(1174.80)	(1564.60)
Add:		
Tax Adjustment for earlier years	-	(0.78)
Profit/(Loss) brought forward from the previous year	(1513.17)	52.21
Balance Carried to Balance Sheet	(2687.97)	(1513.17)

## DIVIDEND

Due to losses, your Directors regret their inability to recommend any dividend.

## CONTRIBUTION TO GOVERNMENT REVENUE

The Company has contributed Rs. 624 lacs by way of Excise Duty and Rs.619 lacs towards other taxes. The total contribution of the Company to the Central and State Exchequer was thus Rs.1243 lacs during the period under review.

## PRODUCTION AND PERFORMANCE

The figures for the period under review and the comparative position in the previous year are as follows:

	1999-2000 (9months)	1998-99 (15 months)
Clinker Production (MT)	168900	347410
Monthly Average	18767	23161
Cement Production (MT)	173795	393540
Monthly Average	19311	26236
Capacity Utilisation (%)	70.22	95.40
Turnover (Rs. in lacs)	3304	7764

Falling market prices at uneconomic level on the one hand and rising cost of input on the other, forced the Company to curtail the production of clinker and cement during the period. This has resulted in lower capacity utilisation in comparison to the previous year.

The Company has been facing severe liquidity constraints due to mounting losses and therefore it was unable to meet its financial obligation.

## REFERENCE TO BIFR

In compliance with the provisions of Sick Industrial Companies (Special Provisions) Act 1985 (SICA), your company has made the reference to BIFR. The BIFR has since declared the company as a sick industrial company in terms of Section 3(1)(o) of the SICA and appointed IDBI as their operating agency under Section 17(3) of the Act to formulate a rehabilitation scheme for the Company's revival. The Company is hopeful on this front.

## DEBENTURES

The funds raised by the Company through the issue of Debentures have been utilised for meeting long term working capital needs.

## SUBSIDIARY COMPANIES

The audited Accounts together with the Reports of the Directors and the Auditors of the Company's subsidiaries, namely, Kanoria Mercantile Limited and Sanatan Investment Company Limited, are attached.

## SAFETY &amp; ENVIRONMENT

The Company's policy of giving importance to safety, was continued during the period. In order to keep the environment neat, clean and pollution free, your Company adheres to the prescribed standards.

## YEAR 2000 COMPLIANCE (Y2K)

The Company's IT systems and procedures are Y2K compliant.

## HUMAN RESOURCES

Industrial relations during the period have been satisfactory. The Company continued its progressive policy of human resources development.

## DIRECTORS

S/Shri M.L. Daga, A.K. Chakrabarti and N. Ramachandran retire by rotation and, being eligible, offers themselves for reappointment.

## COST AUDIT

Pursuant to the Directions of the Central Government under Section 233 B of the Companies Act, 1956, M/s. B.J.D Nanabhoy & Co., Cost Accountants, Mumbai, have been appointed to conduct the cost audit of the Cement Division of the Company for the period ending on 31.3.2001.

## PARTICULARS OF EMPLOYEES

Particulars of employees as required under Section 217 (2A) of the Companies Act, 1956 are given in Annexure 'A', which forms part of this Report.

## CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Particulars of conservation of energy, technology absorption and foreign exchange earnings and outgo as required under Section 217(1) (e) of the Companies Act, 1956 are given in Annexure 'B' which forms part of this Report.

## AUDITORS' REPORT

The observations made by the Auditors in their Report do not require any comments as the same are either self explanatory or have been fully explained in the notes attached to the Accounts.

## APPOINTMENT OF AUDITORS

You are requested to appoint Statutory Auditors for the Current Year and fix their remuneration. The retiring joint Auditors M/s. Haribhakti & Company and M/s. Santhappa & Company are eligible for reappointment.

## APPRECIATION

The Directors wish to place on record their appreciation of the co-operation received from the various departments of the Central and State Governments, Bankers, Financial Institutions, Dealers and Suppliers of the Company.

The Directors also wish to thank all the employees for their sincerity, hardwork and efforts.

On behalf of the Board of Directors

A.K. KANORIA  
Chairman

Mumbai the 28th July, 2000.

## KANORIA INDUSTRIES LIMITED

## ANNEXURE 'A' TO THE REPORT OF THE DIRECTORS

Information required under Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 and forming part of the Directors' Report for the period ended 31st March, 2000.

Statement showing particulars of employees throughout the period who are in receipt of remuneration which was in aggregate not less than Rs.6,00,000/- per annum.

Sr. No.	Name	Age	Designation/ Nature of duties	Remune- ration Rs.	Qualifications	Experience in year	Date of commence- ment of service	Last Employment
1.	Mr. Daga M.L.	58	Director & Secretary	6,10,719	B.Com. F.C.A.	33	01.07.73	Eastern Ind. Ser. & Marketing Ltd Officer
2.	Mr. Kanoria A.K.	45	Chairman & Managing Director	9,25,360	B.A.	27	01.01.82	The Shankar Agro Ind. Ltd Managing Director

## Notes:

1. Remuneration includes perquisites which have been evaluated on the basis of Income Tax Rules.
2. Appointment of Shri A.K. Kanoria, Chairman & Managing Director is contractual. All other appointments are non-contractual and are governed by the rules and regulations of the Company.
3. The above employees are not relatives of any Director of the Company.
4. The Company has no employees employed for part of the year receiving remuneration of Rs.50,000/- per month, or more.

On behalf of the Board of Directors

A.K. KANORIA  
Chairman

Mumbai, 28th July, 2000.

## ANNEXURE "B" TO THE REPORT OF THE DIRECTORS

## A. CONSERVATION OF ENERGY

Total energy consumption and energy consumption per unit of production as per FORM "A".

**FORM A**  
(See Rule 2)

Form for disclosure of particulars with respect to conservation of energy

1999-2000  
(9 months)      1998-99  
(15 months)

## A. POWER AND FUEL CONSUMPTION

## 1. ELECTRICITY

a) Purchased		
Unit (lac/KWH)	17.34	15.41
Total amount (Rs. lacs)	85.86	84.69
Rate/Unit (Rs.)	4.95	5.50

## b) Own Generation

i) Through diesel generator		
Units (lac/KWH)	218.83	480.53
Units per Ltr. of diesel oil	3.82	3.88
Cost/Unit (Rs.)	3.23	2.71

## ii) Through steam turbine/generator

Units	-	-
Units per litre of fuel oil/gas	-	-
Cost/Units	-	-

## 2. COAL &amp; LIGNITE

(Grade C, D & E used in cement for calcination of raw meal)

Quantity (tonnes)	30519.00	68715.61
Total Cost (Rs. lacs)	622.41	1341.49
Average rate (Rs/MT)	2039.43	1952.23

## 3. FURNACE OIL

Quantity (K ltr)	-	-
Total amount	-	-
Average rate	-	-

## 4. OTHER/INTERNAL GENERATION

Quantity (K.ltr)	-	-
Total cost	-	-
Rate/Unit	-	-

## B. CONSUMPTION PER UNIT OF PRODUCTION (Units per MT)

1999-2000  
(9 months)      1998-99  
(15 months)

Electricity 123.36 122.64

Furnace Oil - -

Coal & Lignite (per tonne of clinker) 18.07% 18.63%

Power consumption per ton is higher than the previous year due to lower production of clinker and cement during the current period.

Coal consumption is lower due to higher consumption of superior quantity of coal during the period.

## B. TECHNOLOGY ABSORPTION

## FORM B

(See Rule 2)

Form for disclosure of particulars with respect to Absorption

## RESEARCH AND DEVELOPMENT (R&amp;D)

The Company does not have any separate Research & Development section. The National Council for Cement & Building Materials is carrying out Research & Development activities for the entire industry and the Company is Member of the same, deriving therefrom all benefits of their activities.

## TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

No technology has been imported during the last five years reckoned from the beginning of the financial year.

## C. FOREIGN EXCHANGE EARNINGS AND OUTGO

(Rs. in lacs)

1. Total Foreign Exchange earned	-
2. Total Foreign Exchange used	0.06

On behalf of the Board of Directors

A.K. KANORIA  
Chairman

Mumbai, the 28th July, 2000..



**ANNUAL REPORT 1999-2000****STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956****SECTION 212 (1)(e)**

1. The interest of Kanoria Industries Limited (KIL), in its subsidiaries at the end of their last financial year was as follows:-

Name of subsidiary	Financial Year ended on	Extent of interest of KIL
(a) Kanoria Mercantile Ltd	31st March, 2000	Wholly-owned subsidiary
(b) Sanatan Investment Company Ltd	31st March, 2000	Wholly-owned subsidiary

2. The net aggregate amount, so far as it concerns the members of KIL and is not dealt with in KIL's account.

(a) Profit for the above noted financial years of the subsidiaries since they became subsidiaries of KIL	...	Rs.8.00 lacs
(b) Profit for the previous financial years of the subsidiaries since they became subsidiaries of KIL.	...	Rs.19.01 lacs

3. The net aggregate amount of the profits of the subsidiaries, which is dealt with in the account of KIL.

(a) For the above noted financial years of subsidiaries.	Nil
(b) For the previous financial years of the subsidiaries since they became subsidiaries of KIL.	Nil

**A.K. KANORIA**  
Chairman & Managing Director  
Mumbai, 28th July, 2000.

**E.B. DESAI**  
Director

**M.L. DAGA**  
Director & Secretary

**DISTRIBUTION OF SHAREHOLDING**

NUMBER OF ORDINARY SHARES HELD	NUMBER OF SHAREHOLDERS	
	31-3-2000 %	30-06-99 %
1 to 500	97.19	97.31
501 to 1000	1.67	1.64
1001 to 10000	0.94	0.87
Over 10000	0.20	0.18
Total	100.00	100.00

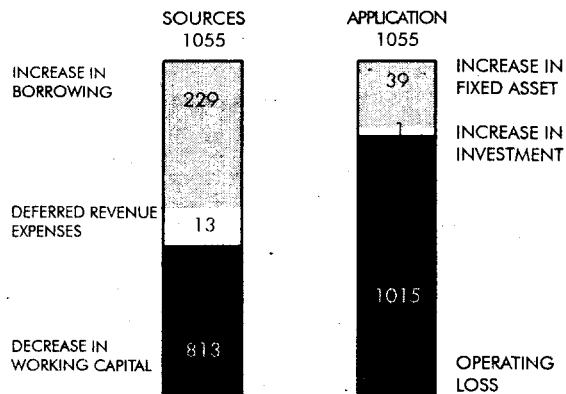
**CATEGORIES OF SHAREHOLDERS**

CATEGORY	NUMBER OF SHAREHOLDERS		VOTING STRENGTH		NUMBER OF ORDINARY SHARES HELD	
	31-3-2000	30-06-99	31-3-2000	30-06-99	31-3-2000	30-06-99
Individuals	9746	9758	17.80	17.44	1514684	1484084
Companies	73	68	80.40	77.95	6841140	6632140
Government & Public Financial Institutions	3	5	01.63	4.42	138295	376195
Nationalised Banks Mutual Funds and Trust	5	6	0.17	0.19	14287	15987
Total	9827	9837	100.00	100.00	8508406	8508406

## KANORIA INDUSTRIES LIMITED

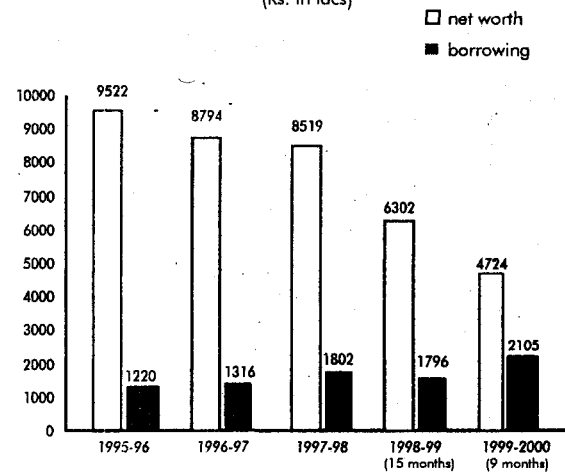
## SOURCES AND APPLICATION OF FUNDS

(Rs. in lacs)



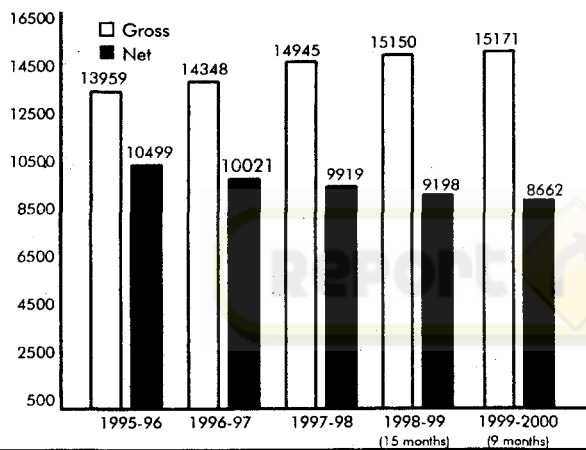
## NET WORTH AND BORROWINGS

(Rs. in lacs)

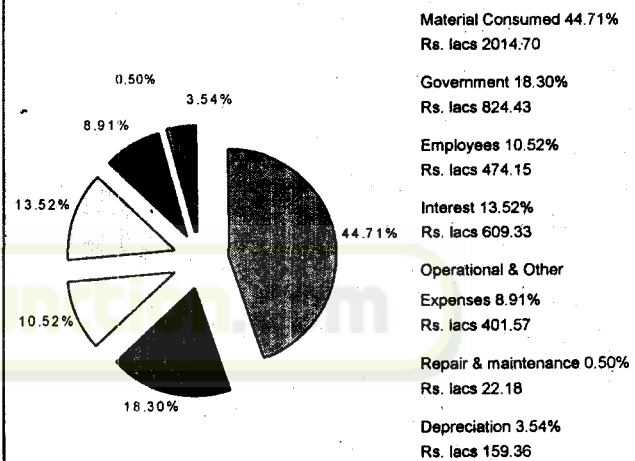


## GROSS AND NET FIXED ASSETS

(Rs. in lacs)

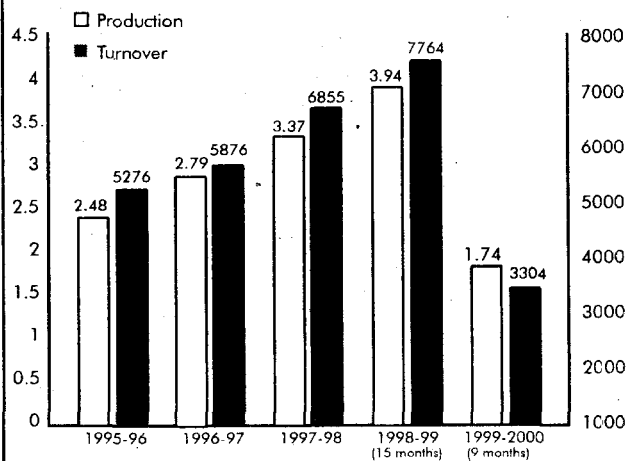


## DISTRIBUTION OF EXPENDITURE 1999-2000(9 MONTHS)



## PRODUCTION AND TOTAL TURNOVER

(MT in lacs) (Rs. in lacs)



## POWER AND FUEL CONSUMPTION

