

KANORIA GROUP

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KANORIA GROUP

Kanoria Industries Limited

BOARD OF DIRECTORS

A. K. Kanoria

(Chairman & Managing Director)

M. S. Sanganerla

M. L. Daga

L. N. Chaturvedi

A. M. Shettar

R. K. Kejriwal

STATUTORY AUDITORS

Messrs Haribhakti & Co.

Messrs Santhappa & Co.

COST AUDITORS

Messrs B.J.D. Nanabhoy & Co.

SOLICITORS

Kanga & Co.

Mulla & Mulla & Craigie Blunt & 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.

Report



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52nd Annual General Meeting

Time	4.00 P. M.
Day	Monday, 30th September, 2002
Venue	Kamalnayan Bajaj Hall, Bajaj Bhavan, Ground Floor, Nariman Point, Mumbai 400 021

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HIGHLIGHTS

(Rs. In Lacs)

YEAR	2001-2002	2000-2001	1999-2000 (9 months)	1998-99 (15 months)	1997-98
SALES (INCL. EXCISE DUTY)	4053.41	3487.71	3303.79	7763.86	6854.67
OTHER INCOME	219.47	105.05	27.13	54.99	72.93
INCREASE/(DECREASE) IN STOCK OF SEMI-FINISHED AND FINISHED GOODS	30.29	(239.13)	24.34	(488.91)	325.27
RAW MATERIAL CONSUMED	476.91	297.93	131.04	377.09	361.20
MANUFACTURING & OTHER EXPENSES (INCL. EXCISE DUTY)	3857.92	3381.51	3630.33	7377.99	6093.91
PROFIT/(LOSS) BEFORE INTEREST & DEPRECIATION	(31.66)	(325.81)	(406.11)	(425.14)	797.76
INTEREST	442.19	661.09	609.33	899.98	654.27
CASH PROFIT/(LOSS)	(473.85)	(986.90)	(1015.44)	(1325.12)	143.49
DEPRECIATION	200.93	230.27	159.36	239.48	205.32
PROFIT /(LOSS) BEFORE TAX	(674.78)	(1217.17)	(1174.80)	(1564.60)	(61.83)
PROFIT /(LOSS) AFTER TAX	(674.78)	(1217.17)	(1174.80)	(1564.60)	(61.83)
GROSS FIXED ASSETS	15120.20	15106.56	15171.26	15150.33	14945.31
NET FIXED ASSETS	7852.55	8210.67	8661.91	9197.98	9919.11
INVESTMENTS	128.02	128.02	128.11	127.61	213.02
NET CURRENT ASSETS	(1192.24)	(601.90)	43.77	857.21	2136.76
MISCELLANEOUS EXPENSES TO BE WRITTEN OFF	50.80	63.79	86.45	99.36	144.69
SHARE CAPITAL	854.54	854.54	854.54	854.54	854.45
RESERVES & SURPLUS	5787.83	5970.35	6198.31	6614.57	7809.50
SHARE HOLDERS' FUNDS	2457.65	3301.96	4724.43	6302.58	8519.26
BORROWINGS-LONG TERM	2165.52	2081.58	1905.16	1796.42	1802.45
BORROWINGS-SHORT TERM	2165.17	2353.25	2204.20	2083.80	1947.18
CASH EPS RS.	-	-	-	-	1.68
BOOK VALUE RS. PER EQUITY SHARE	28.76	38.64	55.29	73.75	99.70
RETAINED EARNINGS	-	-	-	-	143.49

KANORIA INDUSTRIES LIMITED

NOTICE

NOTICE is hereby given that the 52nd Annual General Meeting of the Company will be held on Monday, 30th September, 2002 at 4.00 P.M. at Kamalnayan Bajaj Hall, Bajaj Bhavan, Ground Floor, Nariman Point, Mumbai 400 021 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt Balance Sheet as on 31.3.2002 and Profit and Loss account for the year ended 31.3.2002 together with Auditors' and Directors' Report thereon.
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 L.N.Chaturvedi who retires by rotation and being eligible offers himself for reappointment.
4. To appoint Auditors and to fix their remuneration.

AS SPECIAL BUSINESS:

5. APPOINTMENT OF AND PAYMENT OF REMUNERATION TO SHRI A.K. KANORIA AS MANAGING DIRECTOR OF THE COMPANY:

To consider and, if thought fit, to pass with or without modifications, the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Sec 269,309,310,311, and other applicable provisions, if any, of the Companies Act, 1956 and subject to the approval of the Central Government, or other appropriate authorities the consent of the Company be and is hereby accorded to the appointment of Shri A.K.Kanoria as Managing Director of the Company for a period of 3 years w.e.f 1st August 2002, at such Remuneration and on such terms and conditions as set out in the draft Agreement submitted to this meeting and initialled by the Chairman for the purpose of identification."

"FURTHER RESOLVED THAT Board of Directors be and is hereby authorised to amend/alter/modify all or such of the terms and conditions of the said Agreement as may be approved by the Central Government and accordingly to finalise the said Agreement."

"FURTHER RESOLVED THAT the Board of directors be and is hereby authorised to take all such steps as may be necessary, fit and expedient to give effect to this resolution including inter alia to apply and obtain the approval of the Central Government for the purpose and also to finalise and execute the Agreement on behalf of the Company with Shri A.K. Kanoria."

By Order of the Board
For KANORIA INDUSTRIES LIMITED

M.L. DAGA

Director & Secretary

Mumbai, 4th September, 2002.

NOTES:

1. 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.
2. The relative Explanatory Statement pursuant to Sec. 173(2) of the Companies Act, 1956, is annexed hereto and is forming part of this Notice.
3. The Register of Members and Share Transfer Books of the Company will remain closed from Thursday, the 26th September, 2002 to Monday, the 30th September, 2002 (both days inclusive).
4. 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 400072.
5. 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.11 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.

6. 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.
7. 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.
8. 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, Kolkata 700 001.
 - (3) The Delhi Stock Exchange Association Ltd 3&4/4B, Asaf Ali Road, New Delhi 110 002.
9. 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 (4) above.

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

ITEM NO. 5

The members are aware that Shri A.K.Kanoria was appointed as Managing Director of the Company for a period of 5 years commencing from 30th July 2001. But due to personal constraints he resigned from his Office as Managing Director. As per provision of section 269 of the Act, the Company is required to have a Managing Director/ Whole-time Director. However, as the Company is BIFR registered Company, it was observed to be difficult to get a suitable person willing to be so appointed. Considering the long association of Shri A.K.Kanoria with the Company and also the importance of his probable contribution in finalisation of DRS, the Board therefore once again requested Shri A.K.Kanoria to agree to his appointment as Managing Director. Shri. A.K.Kanoria kindly consented to the same. Accordingly Shri A.K.Kanoria was appointed as Managing Director of the Company for a period of 3 years commencing from 1st August, 2002. The appointment made by the Board as well as the Remuneration Committee of the Company and the payment of remuneration is subject to the approval of the Central Government and the members of the Company and is liable to such modification, if any, as may be stipulated while granting such approvals.

AS REQUIRED UNDER CLAUSE (C) OF PART II OF SCHEDULE XIII THE GENERAL INFORMATION, INFORMATION ABOUT THE APPOINTEE, OTHER INFORMATION ETC. AS UNDER :

I. General Information:

- 1) Nature of Industry : Manufacturer and Dealers of Cement
- 2) Date of commencement of Commercial Production: Year 1955.
- 3) In case of new companies, : Not Applicable
expected date of commencement of activities as per project approved by financial institutions appearing in the prospects.

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4) Financial performance based on given indicators:

(Rs. in Lacs)

Year ending	31.3.97	31.3.98	30.6.99	31.3.00	31.3.01
Turnover	5876	6855	7764	3304	3488
Net profit	89.63	(49.23)	(1550.70)	(1155.76)	(1207.30)
(computed under section 198)					
Net profit as per profit and loss account	76.94	(61.83)	(1564.60)	(1174.80)	(1217.17)
Amount of dividend paid per share.	Re 1/-				

5) Export performance and net foreign : Not Applicable
exchange collaborations

6) Foreign investments or collaborators, if any : Nil

II. Information about the appointee:

1) Background details :-

Name	:	Shri Ajay Kumar Kanoria
Father's Name	:	Shri Binod Kumar Kanoria
Nationality	:	Indian
Date of birth	:	27.10.1954
Qualification	:	B.A.
Experience	:	28 years.

2) Past remuneration :-

	2000-2001	2001-2002
As Managing Director -	Rs. 6,96,442/-	Rs. 3,42,605/-
As President -	Rs. 3,48,221/-	Rs. 7,88,226/-

3) Recognition or awards : Nil

4) Job profile and his suitability:-

To look after day to day affairs of the Company. He was the Managing Director of the Company for 25 years. He possess the vast experience in the field of Cement Industry.

5) Remuneration proposed : As enumerated separately in the Explanatory Statement.

6) Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of his origin):-

The proposed remuneration is approx 60% of minimum remuneration as provided in Schedule XIII Part II (C) for a Company with effective capital of less than Rs. 1.00 Crore and it is also substantially less than the general remuneration trend/profile of Managing Director / Chief Executive Officers of Companies of comparable size in the Cement Industry.

7) Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any:- Nil

III. Other information

1) Reasons of loss or inadequate profits:-

The unprecedented recession as a result of depressed economic conditions during recent years and excess of supplies over demand and consequent fall in prices on one hand and rise in cost of inputs on the other are the reasons of loss.

2) Steps taken or proposed to be taken for improvement :-

The company was declared a Sick Company under SICA by BIFR vide its order dated 02.06.2000 and rehabilitation Scheme has been formulated by the operating Agency - IDBI and submitted to BIFR, which is presently under considerations.

3) Expected increase in productivity and profits in

measurable terms :-

Year ending March 31st	2002-03	2003-04	2004-05	2005-06
Installed capacity(MT)	3.30	3.30	3.30	3.30
Capacity utilisation	90%	90%	90%	90%
Production (MT)	2.97	2.97	2.97	2.97
(Rs. in lacs)				
Net Sales	4348	7036	7385	7385
Cost of Production	4088	5904	5915	5876
Gross Profit	259	1132	1470	1509
Depreciation	123	124	150	222
Interest	440	373	266	152
Operating Profit	(304)	634	1053	1135

The terms and conditions of the appointment of Shri A.K. Kanoria are embodied in the draft Agreement between the Company and Shri A.K. Kanoria, the material terms of which are summarised as under:-

- Salary:- Rs. 50,000/- per month subject to deduction of income tax and other lawful deductions.
- HRA:- Rs. 20,000/- per month
- Commission:- 1% per annum of the net profits of the Company for each financial year computed in the manner laid down in Section 309 of the Companies Act, 1956.
- Provident Fund:- Company's contribution to the Provident Fund @ 12% of salary.
- Gratuity:- Gratuity @ half a month's salary for each completed year of service.
- Perquisites evaluated as per Income Tax Rules, wherever applicable in the absence of any such rules, perquisites shall be evaluated at actual cost.
 - Furnishing of residence upto an amount not exceeding Rs. 9 lacs during the terms of three years commencing from the date of appointment.
 - The bills for consumption of electric power at the residence to be paid / reimbursed by the Company.
 - Club fees for 2 Clubs including admission and other fees to be paid / reimbursed by the Company.
 - Medical Expenditure - The expenditure actually incurred for the medical treatment of Shri Kanoria or treatment by any member of his family shall be paid / reimbursed by the Company.
 - Leave Travel Concession - Once in a year to any place in India by AIR/RAIL/ROAD.
 - Personal Accident Insurance Cover for an amount upto Rs. 50 lacs.
 - Company's Car with driver partly for the performance of his duties and partly for his private or personal purposes
 - Telephone facilities at residence. The Charges for any personal long distance calls made from such telephones shall be billed by the Company and paid by Shri Kanoria.
 - One month leave for every eleven months' service.

The draft Agreement between the Company and Shri A.K. Kanoria are available for inspection at the Registered Office of the Company between 10.00 a.m and 1.00 p.m. on any working day of the Company.

The abstract under Section 302 of the Companies Act, 1956, has already been sent. However, in event of non-receipt, this Explanatory Statement may be treated as abstract as per Sec. 302 of the Companies Act, 1956.

Except Shri A.K. Kanoria, no other Director of the Company is concerned or interested in the resolution.

By Order of the Board
For KANORIA INDUSTRIES LIMITED

M.L. DAGA
Director & Secretary

Mumbai, 4th September, 2002.

KANORIA INDUSTRIES LIMITED

DIRECTORS' REPORT

To
The Shareholders

The Directors hereby present the 52nd Annual Report and Audited Accounts of the Company for the year ended 31st March, 2002.

FINANCIAL RESULTS

	Current Year (Rs. in lacs)	Previous Year (Rs. in lacs)
* After meeting all operating and administrative expenses, the working of the year shows a deficit of	(31.66)	(325.81)
Add:		
Interest	442.19	661.09
Depreciation	200.93	230.27
Net Loss of the Year	(674.78)	(1217.17)
Profit/(Loss) brought forward from the previous year	(3905.14)	(2687.97)
Balance Carried to Balance Sheet	(4579.92)	(3905.14)

DIVIDEND

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

CONTRIBUTION TO GOVERNMENT REVENUE

The Company has contributed Rs.689 lacs by way of Excise Duty and Rs.588 lacs towards other taxes. The total contribution of the Company to the Central and State Exchequer was thus Rs.1277 lacs during the year under review.

PRODUCTION AND PERFORMANCE

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

	2001-02	2000-01
Clinker Production (MT)	121270	114540
Monthly Average	10106	9545
Cement Production (MT)	192550	174540
Monthly Average	16046	14545
Capacity Utilisation (%)	58.35	52.89
Turnover (Rs. in lacs)	4053	3488

The Capacity utilization increased marginally during the year under review in comparison to the previous year. Your Company continued to concentrate on marketing Portland slag cement. Though there has been a marginal let up in recessionary conditions, oversupply continues to plague the industry and prices of cement have remained depressed for most of the year while the cost of inputs like coal, power and freight have continued to rise. Your Company has achieved improvement in the working during the year under review.

The operations of your Company's Cement Plant at Bagalkot are likely to be affected during the current year due to submergence of the Company's various lands under mining leases and the crushing plants from the back waters of Ghata Prabha river as a result of increase in the water level in the Almatti Dam under the Upper Krishna project of the Government of Karnataka. With the submergence of the Company's primary and secondary crushers, it is not possible to crush the limestone which is required for manufacturing cement. All efforts are made to mobilise the purchase of crushed limestone from outside sources and also to install a new crusher. The Financial Institutions and Banks are being approached to finance the cost of the installation of the new crusher.

REFERENCE TO BIFR

As informed to the shareholders in the earlier Directors' Report, the Company was declared a sick industrial company by Board for Industrial and Financial Reconstruction (BIFR) in terms of Section 3(1)(o) of the Sick Industrial Companies (Special Provisions) Act, 1985 (SICA) and IDBI was appointed as Operating Agency. A draft rehabilitation scheme has been formulated by the Operating Agency - IDBI and submitted to BIFR during the year under review. BIFR has since circulated the draft rehabilitation scheme which is presently under consideration.

DEBENTURES

The funds raised by the Company through the issue of debentures have been utilized for meeting long-term working capital needs.

AUDIT COMMITTEE

As required by the provisions of Section 292A of the Companies Act, 1956, the Board of Directors has constituted an Audit Committee comprising of three Directors, viz. Shri M.S. Sanganageria, Shri R.K. Kejriwal (Chairman of the Committee) and Shri L.N. Chaturvedi and it acts in accordance with terms of its reference.

REMUNERATION COMMITTEE

As required by amended clause XIII of the Companies Act, 1956, the Board of Directors has constituted a Remuneration Committee comprising of three Directors, viz. Shri M. S. Sanganageria, Shri R. K. Kejriwal (Chairman of the Committee) and Shri L. N. Chaturvedi. The remuneration package of Shri A. K. Kanoria, Managing Director was also approved by the committee.

CORPORATE GOVERNANCE

The Company is taking steps to formulate appropriate procedures for compliance with Corporate Governance guidelines. The Company will be ready to fully implement the reporting system, when it becomes mandatory as per the listing agreement with the Stock Exchanges during the current Financial Year 2002-2003.

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.

ANNUAL REPORT 2001-2002**CONSOLIDATED ACCOUNTS**

The consolidated Audited Accounts of the Company and its subsidiaries together with the Auditors' Report thereon are annexed therewith.

SAFETY & ENVIRONMENT

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

HUMAN RESOURCES

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

DIRECTORS

Shri A.K. Kanoria resigned from his office as Managing Director effective from 26th July, 2002. The Board has placed on record its appreciation for the valuable services rendered by Shri Kanoria during his tenure as Managing Director of the Company.

S/Shri M.L. Daga and L.N. Chaturvedi retire by rotation and, being eligible, offer themselves for reappointment.

Shri A.K. Kanoria was appointed by the Board as a Managing Director of the Company with effect from 1st August, 2002. The terms of his appointment are placed before the General Meeting for approval.

DIRECTORS' RESPONSIBILITY STATEMENT

The Board of Directors of the Company state:

- (i) that in the preparation of the annual accounts, the applicable accounting standards have been followed alongwith proper explanation relating to material departures;
- (ii) that the directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit or loss of the company for that period;
- (iii) that the directors have taken proper and sufficient care 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;

- (iv) that the directors have prepared the annual accounts on a going concern basis.

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 year ending on 31.3.2003.

PARTICULARS OF EMPLOYEES

The Company has no employee in respect of whom information under Section 217 (2A) of the Companies Act, 1956, is required to be annexed.

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 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

Mumbai, the 4th September, 2002

Chairman

KANORIA INDUSTRIES LIMITED

ANNEXURE 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

2001-2002 2000-2001

A. POWER AND FUEL CONSUMPTION

1. ELECTRICITY

a) Purchased

Unit (lac/KWH)

137.25

103.52

Total amount (Rs. lacs)

576.22

419.24

Rate/Unit (Rs.)

4.20

4.05

b) Own Generation

i) Through diesel generator

Units (lac/KWH)

106.18

115.31

Units per Ltr. of diesel oil

3.90

3.77

Cost/Unit (Rs.)

3.99

4.24

ii) Through steam turbine/generator

Units

-

-

Units per litre of fuel oil/gas

-

-

Cost/Units

-

-

2. COAL & LIGNITE

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

Quantity (tonnes)

31572.59

29379.00

Total Cost (Rs. lacs)

715.37

591.82

Average rate (Rs/MT)

2265.78

2014.43

3. FURNACE OIL

Quantity (K.ltr)

-

-

Total amount

-

-

Average rate

-

-

4. OTHER/INTERNAL GENERATION

Quantity

-

-

Total cost

-

-

Rate/Unit

-

-

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

2001-2002 2000-2001

Electricity

122.17

133.17

Furnace Oil

Coal & Lignite

26.03%

16.83%

(per tonne of clinker)

Coal consumption per ton of Clinker is higher due to consumption of Indian coal during the year as against imported coal in previous year.

B. TECHNOLOGY ABSORPTION

FORM B

(See Rule 2)

Form for disclosure of particulars with respect to Absorption

RESEARCH AND DEVELOPMENT (R&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

-

0.82

On behalf of the Board of Directors

A.K. KANORIA
Chairman.

Mumbai, the 4th September, 2002.

ANNUAL REPORT 2001-2002**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, 2002	Wholly-owned subsidiary
(b) Sanatan Investment Company Ltd	31st March, 2002	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. 7.05 lacs
(b) Profit for the previous financial years of the subsidiaries since they became subsidiaries of KIL.	... Rs. 28.38 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

M. S. SANGANERIA
Director

M. L. DAGA
Director & Secretary

Mumbai, 4th September, 2002.

DISTRIBUTION OF SHAREHOLDING

NUMBER OF ORDINARY SHARES HELD	NUMBER OF SHAREHOLDERS	
	31-3-2002 %	31-3-2001 %
1 to 500	97.17	97.17
501 to 1000	1.68	1.68
1001 to 10000	0.95	0.95
Over 10000	0.20	0.20
Total	100.00	100.00

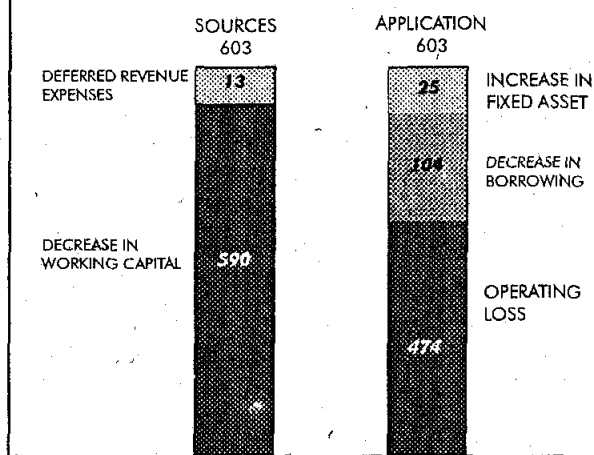
CATEGORIES OF SHAREHOLDERS

CATEGORY	NUMBER OF SHAREHOLDERS		VOTING STRENGTH		NUMBER OF ORDINARY SHARES HELD	
	31-3-2002	31-3-2001	31-3-2002	31-3-2001	31-3-2002	31-3-2001
Individuals	9728	9725	17.88	17.86	1521760	1519814
Companies	71	72	80.39	80.41	6839564	6841510
Government & Public Financial Institutions	3	3	1.56	1.56	132795	132795
Nationalised Banks Mutual Funds and Trust	5	5	0.17	0.17	14287	14287
Total	9807	9805	100.00	100.00	8508406	8508406

KANORIA INDUSTRIES LIMITED

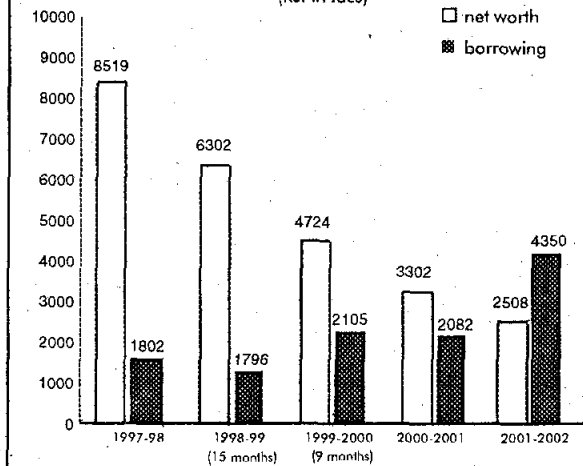
SOURCES AND APPLICATION OF FUNDS

(Rs. in lacs)



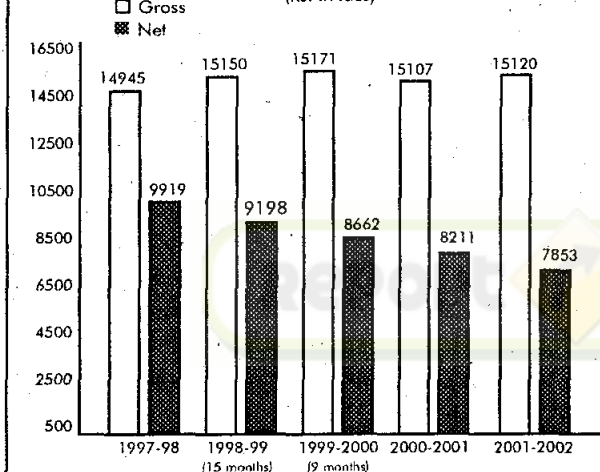
NET WORTH AND BORROWINGS

(Rs. in lacs)

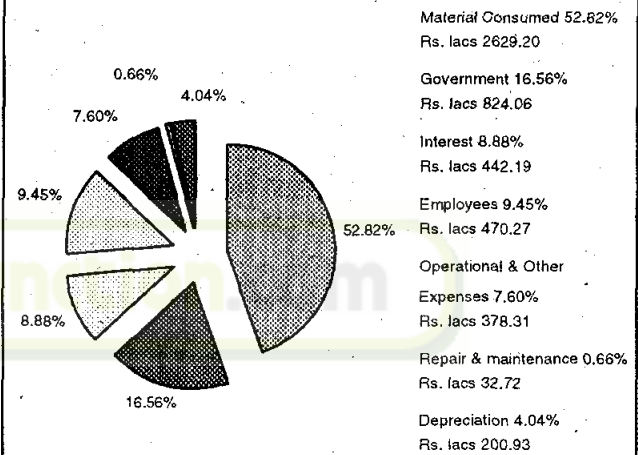


GROSS AND NET FIXED ASSETS

(Rs. in lacs)



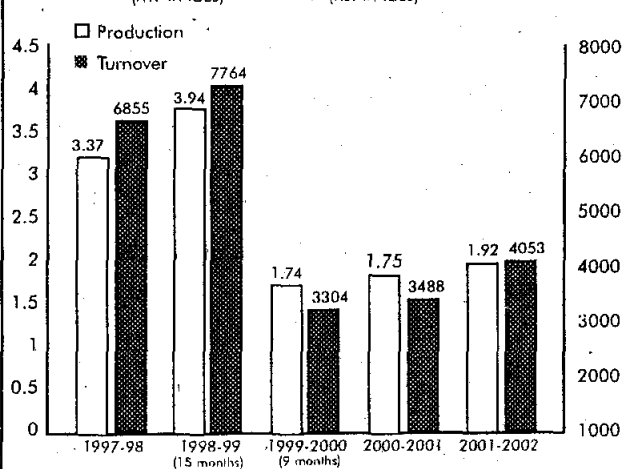
DISTRIBUTION OF EXPENDITURE 2001-2002



PRODUCTION AND TOTAL TURNOVER

(MT in lacs)

(Rs. in lacs)



POWER AND FUEL CONSUMPTION

Electricity Units per Ton of Cement

Coal % per ton of clinker

