

# Sixth Annual Report

## 1998 - 99



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### **CANVAY CHEMICALS LTD.**

REGD. OFFICE :

PLOT NO. 1808, 3rd PHASE, G.I.D.C. ESTATE, VAPI-396 195, GUJARAT, (INDIA).  
TEL. : 30723, 22236 FAX : 32285

## CANVAY CHEMICALS LIMITED

### SIXTH ANNUAL REPORT

1998-99

<b>BOARD OF DIRECTORS</b>	:	MR. BHOGIBHAI B. PATEL MR. TARUN B. PATEL MRS. KETKI T. PATEL DR. ISTVAN EROS MR. N. T. RANA	CHAIRMAN MANAGING DIRECTOR DIRECTOR DIRECTOR NOMINEE DIRECTOR (G. I. I. C.)
<b>AUDITORS</b>	:	M/S KAKARIA & ASSOCIATES CHARTERED ACCOUNTANTS 1ST FLOOR, J. K. CHAMBERS, SELVASA ROAD, VAPI - 396 191.	
<b>BANKERS</b>	:	STATE BANK OF INDIA INDUSTRIAL TOWNSHIP BRANCH G. I. D. C., VAPI - 396 195.	
<b>REGISTERED OFFICE</b>	:	PLOT NO. 1808, III PHASE, G.I.D.C., VAPI - 396 195.	
<b>WORKS</b>	:	PLOT NO.- 316/B, II PHASE, G.I.D.C., VAPI - 396 195.	
<b>SHARE TRANSFER AGENT</b>	:	M/S INTECH SYSTEMS PVT. LTD. BANK OF INDIA BUILDING, OPP. VIJAY RESTAURANT, NAVRANGPURA, AHMEDABAD - 380 009.	

## NOTICE TO THE SHAREHOLDERS

NOTICE is hereby given that the **SIXTH ANNUAL GENERAL MEETING** of the Members of **CANVAY CHEMICALS LIMITED** will be held on Thursday, the 23rd day of september, 1999 at 11:00 a.m. at Works & Administration office situated at **316/B, IInd Phase, G.I.D.C., VAPI - 396 195** to transact the following business :

### ORDINARY BUSINESS :

1. To consider and adopt the Balance Sheet as on 31st March, 1999, the Director's Report and the Auditor's Report there on.
2. To appoint a Director in place of Mrs. Ketki T. Patel who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint a Director in place of Dr. Istvan Iros who retires by rotation and being eligible, Offers himself for reappointment.
4. To appoint the auditors and to fix their remuneration.

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DATE : 29/07/1999

ON BEHALF OF THE  
BOARD OF DIRECTORS.

PLACE : VAPI.

TARUN PATEL  
MANAGING DIRECTOR

SIXTH ANNUAL REPORT

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NOTES :

- a) 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. The instrument appointing a proxy must be deposited at the registered Office of the Company not later than 48 hours before the time fixed for holding the Meeting.
- b) The Register of Members and the share transfer Books of the Company will remain closed from 23/09/99 to 03/10/99 (both days inclusive)
- c) The members are requested to notify any change in their address to **M/s. Intech systems Pvt. Ltd., Bank of India Building, opp. Vijay restaurant, Navrangpura, Ahmedabad - 380 009**, the Share Transfer Agents of the Company quoting their folio number at earliest to avoid inconvenience at a later stage.
- e) As a measure of economy, copies of the annual Report will not be distributed at the Annual General Meeting, therefore, Members are requested to bring their copies of Annual Report to the Meeting.
- f) Shareholders seeking any information with regards to accounts are requested to write to the Company latest by 10th September, 1999. so as to enable the management to keep the information ready.

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DATE : 29/07/1999

ON BEHALF OF THE  
BOARD OF DIRECTORS.

PLACE : VAPI.

TARUN PATEL  
MANAGING DIRECTOR

**DIRECTOR'S REPORT**

To :

**THE MEMBERS :**

Your Directors have pleasure in submitting sixth Annual Report and Audited Accounts of your Company for the year ended on 31st March, 1999.

**FINANCIAL RESULTS :**

The performance during the year is as under :

(Rupees in Lacs)

	1997-98	1998-99
Sales & Other Income	43.96	105.72
Gross Profit	7.03	23.67
Loss before Depreciation	(20.13)	(45.63)
Depreciation	—	18.48
Taxation	—	—
Loss after Depreciation	(20.13)	(64.11)
Loss carried forward to B/S	(20.13)	(64.11)

**REVIEW OF OPERATIONS :**

The sales turnover of the company is increased by more than 100 % and there is simultaneous increase in Gross profit of the Company. However, due to higher interest cost and other sales and administrative expenses, there is a net loss of Rs. 45.63 lakhs before Depreciation. After providing depreciation of Rs. 18.48 lakhs the net loss comes to Rs. 64.11 lakhs.

**FINANCE :**

The company has received additional term loan of Rs. 13.04 lakhs and Rs. 30.00 lakhs from GSFC and GILC respectively to meet the cost over run in the project implementation. The company has also approached the financial institution for reschedulement of payments to them.

The company has also availed additional working capital facility from State Bank of India, Vapi on full working of the company.

**DEPOSITS :**

The Company has not accepted any deposits during the year which attracts the provisions of section 58 (A) of the companies Act, 1956.

**PERSONNEL :**

There are no employees drawing salary exceeding the limits specified under section 217

(2A) of the Companies Act, 1956 read with the companies (Particulars of Employees) Rules, 1975.

**INFORMATIONS REGARDING CONSERVATION OF ENERGY ETC. :**

The particulars as required under the provisions of Section 217 (1) (e) of the Companies Act, 1956 are attached as Annexure - I and forms the part of this report.

**DIRECTORS :**

Mrs. Ketki T. Patel and Dr. Istvan Iros retire by rotation and being eligible, offers themselves for reappointment. Mr. Jatin B. Patel has resigned from the Directorship of your company due to preoccupation. The Board records its sincere appreciation of the services render by him during his directorship.

**AUDITORS :**

M/s. KAKARIA & ASSOCIATES, Chartered Accountants, Vapi retires at the Annual General Meeting and being eligible, offers themselves for reappointment. You are requested to appoint them and to fix their remuneration.

**LISTING OF THE COMPANY'S EQUITY SHARES :**

The Equity shares of your Company continue to be listed during the year under review at Vadodara Stock Exchange Limited, Mumbai stock Exchange and Ahmedabad Stock Exchanges. The Company has paid the annual listing fees for the financial year 1999-2000 to these Stock Exchanges.

**Y2K COMPLIANCE :**

The Company has taken appropriate and effective steps to be Y2K compliant by Sept. '99. The expenditure to ensure Y2K compliance is not expected to have any material financial impact.

**ACKNOWLEDGEMENTS :**

Your Directors wish to place on record their appreciation for whole hearted Co-operation received from Financial Institutions, Bankers and all the Employees and Customers of the Company.

ON BEHALF OF THE BOARD OF DIRECTORS.

Date : 29/07/1999.

(BHOGIBHAI B. PATEL)

Place : VAPI.

CHAIRMAN.

## ANNEXTURE - I

**A. Conservation of Energy :**

Wherever possible, your Company has been making efforts to conserve use of energy during the year under review.

**B. Technology Absorption :**

- a) Research & Development : The Company has not so far formally established any Research & Development department.
- b) Technology absorption, adaptation & Innovation : The Company entered into a Technology Transfer Agreement with M/s. Remi & Mediretran Ltd., Hungary for supply of technical know-how. The Company has already received approval from the RBI for this technical collaboration.

**C. Foreign Exchange earnings and outgo :**

Foreign Exchange Earnings : Rs. Nil

Foreign Exchange Outgo : Rs. Nil

**FORM - A**

Form for disclosure of particulars with respect to conservation of energy.

**[A] Power and Fuel Consumption**

		Year Ended	
		31/03/1999	31/03/1998
1.	Electricity		
(a)	Purchase in Units KWH :	161456	47238
	Total Amount (Rs.)	852666.56	278910.00
	Rate KWH (Rs.)	5.28	5.90
2.	Diesel for D. G. Set		
	Units generated	9804.41	3503.00
	Units per ltr. of Diesel Oil	3.50	3.50
	Cost per Unit	3.19	3.35
3.	L.D.O Used	Ltrs. 23200	7400
	Total Amount (Rs.)	244834.00	69505.00
	Average Rate (Rs.)	10.55	9.39
4.	Consumption per unit of Production		
	Products (MT)	Kgs. 547400	301200
	Total Nos. of Units (KWH)	171260.41	50741.00
	Unit per Kgs. (KWH)	0.32	0.17
	Cost per Kgs. (Rs.)	1.61	0.96

Date : 29/07/1999.

Place : VAPI.

ON BEHALF OF THE BOARD OF DIRECTORS.

(BHOGIBHAI B. PATEL)  
CHAIRMAN