

**KANCHAN**

CERTIFIED TRUE COPY

FOR KANCHAN INTERNATIONAL LIMITED

*Ph. aret*

# Kanchan International Limited

MD	✓	BKC	✓
CS	NA	DPY	NA
RO	✓	DIV	NA
TRA	✓	SH	✓
AGM	✓		✓
YE	✓		

**4<sup>th</sup>**

**Annual General Report 1997-98**



## **KANCHAN INTERNATIONAL LTD.**

### **CORPORATE OFFICE**

#### **DIRECTORS**

Shri Ashok C. Khimavat  
Shri Dinesh C. Khimavat  
Shri Bharat H. Pipalia

Chairman  
Managing Director  
Director

#### **AUDITOR**

M/s. Jayant Salian & Co.  
Chartered Accountants,  
6, Sailor Building, 3rd Floor,  
373, Dr. D. N. Road, Fort,  
Mumbai - 400 001.

#### **BANKERS**

Dena Bank

#### **REGISTERED OFFICE**

7, Salooni Apartment, 56th Road,  
T.P.S. Borivali (West),  
Mumbai-400 092.

#### **CORPORATE OFFICE**

28, A/B, Raju Industrial Estate,  
Penkar Pada Road,  
Near Dahisar Check Naka,  
Thane.

#### **PLANT**

22-E, G.D.D.I.D.C.,  
Somnath Road, Dabhel,  
Daman - 396 210

## NOTICE

Notice is hereby given that the fourth Annual General Meeting of the member of **KANCHAN INTERNATIONAL LTD.** will be held on Wednesday the 30<sup>th</sup> September, 1998 at 11.30 a.m. at the Registered Office of the Company at 7, Salooni Apartment, 56<sup>th</sup> Road, TPS, Borivali (W), Mumbai 400 092 to transact the following business.

### ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Balance Sheet as at March 31, 1998, the Audited Profit & Loss Account for the year ended on that date together with the Auditors Report and Directors Report thereon.
2. To appoint a Director in place of Mr. Ashok C. Khimavat who retires by rotation, and being eligible offers himself for reappointment.
3. To consider and if thought fit to pass with or without modification the following resolution as a Special Resolution.

"RESOLVED that pursuant to Sec 224 A and other applicable provisions if any, of the Companies Act, 1956, M/s. Jayant Salian & Co. Chartered Accountant, Mumbai be & are hereby appointed as Auditors of the Company to hold the Office from the conclusion of this Meeting upto the conclusion of the next Annual General Meeting of the Company on a remuneration to be fixed by the Board of Directors of the Company in addition to reimbursement of out-of-pocket expenses incurred in connection with the audit of the accounts of the Company."

### SPECIAL BUSINESS :

4. To consider and if thought fit to pass with or without modification(s) the following Resolution which will be proposed as an Special Resolution;

"RESOLVED that pursuant to the provisions of section 269, 309 and 311 and other applicable provisions (if any) of the Companies Act, 1956. Shri Ashok C. Khimavat be and is hereby re-appointed as a Chairman of the Company for a period of 5 years with effect from 1st April, 1998 on the terms of remuneration by way of salary and other perquisites as set out in the explanatory statement attached to the Notice convening this Annual General Meeting, with liberty to Directors to alter and vary the terms and conditions of such appointment and or such remuneration so as not to exceed the limits specified in Schedule XIII of the Companies Act, 1956 (as amended) as agreed to between the Board of Directors of the Company and Shri Ashok C. Khimavat.

5. To consider and, if thought fit, to pass with or without modification(s), the following Resolution which will be proposed as an Special Resolution which will be proposed as an Ordinary Resolution.

"RESOLVED that in accordance with the provisions of section 269, 309 and 311 and other applicable provisions (if any) of the Companies Act, 1956 Shri Dinesh C. Khimavat be and is hereby re-appointed as Managing Director of the Company for a period of 5 years with effect from 1st April, 1998 and on payment of such remuneration by way of salary, commission and other perquisites to Shri. Dinesh C. Khimavat during the tenure of his re-appointment as Managing Director as set out in the Explanatory Statement attached to the Notice convening this Annual General Meeting, with liberty to the Directors to alter and vary the terms and conditions of such appointment and remuneration so as not to exceed the limits specified in Schedule XIII of the Companies Act, 1956 (as amended) as agreed to between the Board of Directors of the Company and Shri. Dinesh C. Khimavat.

### **ANNEXURE TO THE NOTICE EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT 1956**

#### **ITEM NO. 4**

The terms of appointment of Shri Ashok C. Khimavat, Chairman of the Company expired on 31st March, 1998. The Board of Directors of the Company vide circular resolution dated 9th March, 1998 approved his re-appointment as Chairman of the Company for a further period of 5 years w.e.f. 1st April, 1998 for the sake of continuity of the present systems of management and the efficient running of the Company. Approval of Shareholders is sought for the re-appointment of Shri Ashok C. Khimavat as chairman of the Company and remuneration payable to him which is detailed as under :

1. **Salary** : A gross salary of Rs. 35,000/- p.m.  
(Rupees Thirty Five thousand only) per month, Gross Salary includes other benefits applicable to Senior Executives of the Company.
2. **Perquisites** : Perquisites shall be restricted to an amount equal to the salary.
  - (i) **Personal Accident Insurance** : Personal accident insurance of an amount, the annual premium of which does not exceed Rs. 1000/-
  - (ii) **Gratuity** : Gratuity as per the rules of the Company but shall not exceed one half month's salary for each completed year of service.
  - (iii) **Car for use on Company's business and telephone at residence** will not be Considered as perquisites.

Shri Ashok C. Khimavat shall be paid aforesaid remuneration and prequisites as minimum remuneration in the event of absence or inadequacy of profit in any financial year.

Except Shri Ashok C. Khimavat and Shri Dinesh C. Khimavat none of the other Directors is interested in this resolution. Shri Ashok C. Khimavat is interested in the resolution to extend he will receive remuneration from the Company and Shri Dinesh C. Khimavat being a relative of Shri Ashok C. Khimavat.

## ITEM No. 5

The terms of appointment of Shri Dinesh C. Khimavat Managing Director of the Company expired on 31st March, 1998. The Board of Directors of the Company vide circular resolution dated 9th March, 1998 approved his re-appointment as Managing Director of the Company for a further period of 5 years w.e.f. 1st April, 1998 for the sake of continuity of the present systems of management and the efficient running of the Company. Approval of Shareholders is sought for the re-appointment of Shri Dinesh C. Khimavat as Managing Director of the Company and remuneration payable to him which is detailed as under :

1. **Salary** : A gross salary of Rs. 20,000/- p.m.  
(Rupees Twenty Thousand Only) per month, Gross Salary including other benefits applicable to Senior Executives of the Company.
2. **Perquisites** : Perquisites shall be restricted to an amount equal to the salary.
  - (i) **Personal Accident Insurance** : Personal accident insurance of an amount, the annual premium of which does not exceed Rs. 1000/-
  - (ii) **Gratuity** : Gratuity as per the rules of the Company but shall not exceed one half month's salary for each completed year of service.
  - (iii) Car for use on Company's business and telephone at residence will not be Considered as perquisites.

Shri Dinesh C. Khimavat shall be paid aforesaid remuneration and perquisites as minimum remuneration in the event of absence or inadequacy of profit in any financial year.

Except Shri Dinesh C. Khimavat and Shri Ashok C. Khimavat none of the other Directors is interested in this resolution. Shri Dinesh C. Khimavat is interested in the resolution to the extent he will receive remuneration from the Company and Shri Ashok C. Khimavat being a relative of Shri Dinesh C. Khimavat.

This may be treated as an abstract of the terms of the contract in terms of Section 302 (2) of the Companies Act, 1956.

### 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 SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.

2. Instruments of proxies, in order to be effective, must be deposited at the Company's Registered office not less than 48 hours before the time of the meeting.
3. The Register of Members and Share Transfer Books of the Company will remain closed from 25th September, 1998 to 30th September, 1998 (Both the days inclusive).
4. Members desiring any information on the accounts at the Annual General Meeting are requested to write-to-the Company at least seven days in advance, so as to enable Company to keep the information on ready.

**By order of the Board  
For KANCHAN INTERNATIONAL LTD.**

**Date : 27th August, 1998.**

**ASHOK C. KHIMAVAT  
CHAIRMAN**

The logo for Report Junction, featuring the word "Report" in a light blue font, a yellow diamond shape with a black arrow pointing right, and the word "Junction.com" in a light green font, all enclosed in a light green rounded rectangular border.

## DIRECTORS REPORT

To,

The Members,

Your Directors proudly present their 4th Annual Report on the business and operations of the Company together with the audited statements of accounts as on 31st March, 1998.

### **FINANCIAL RESULTS :**

	Year Ended 31.03.98 (Rs. In Lacs)	Year Ended 31.03.97 (Rs. In Lacs)
Sales	826.08	713.10
Profit before taxation and depreciation	40.79	11.92
Depreciation	5.32	5.03
Profit before taxation	35.47	6.89
Provision for taxation	NIL	NIL
Net Profit after taxation	35.47	6.89
Balance B/F from Previous Year	(1.55)	8.44
Prior period Adjustment (Net)	0.07	0.00
	33.85	(1.55)

### **REVIEW OF OPERATIONS**

Your company has achieved sales turnover of Rs.8.26 Crores during the Financial Year ended 31st March, 1998 as against Rs. 7.13 Crores during the previous year. These has been achieved through development of new market, mass advertisement and addition of Non Stick Cookwares to the production capacities. The Company has took the measures to reduce the operating cost and adopted innovative marketing strategies to increase the turnover as well as increase in profitability of the Company and we hope that in coming years your Company will achieve higher turnovers as well as higher profitability and will be able to serve you in as better way.

### **DIVIDEND**

The Board of Directors as decided to keep entire profits earned by the Company for the better growth of the Company and hence not recommended any dividend for the year.

### **INDUSTRIAL RELATIONS**

During the year under review the management has maintained a cordial relationship with workers and their co-operation prevailed throughout the year.



**DIRECTORS**

As per the articles of association, Mr. Ashok C. Khimavat, Director of the Company is liable to retire by rotation and offers himself to be reappointed.

**FIXED DEPOSITS**

The Company has not accepted any deposits within the perview of section 58A of the Companies Act, 1956.

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO :**

In terms of Section 217 (1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988. Your Director wish to state the same is not applicable to the Company.

Foregin Exchange Earnings / Expenditures Rs.

Foreign Exchange Earnings : NIL

Foreign Exchange Expenditure : 15.52 Lacs.

**PARTICULARS OF EMPLOYEES :**

None of the employees were in receipt of a remuneration of Rs. 25,000/- p.m. during the financial year ended 31st March, 1998.

**PROJECTIONS V/S. PERFORMANCE :**

Pursuant to clause 43 of the listing agreement with Stock Exchanges, the comparision of projections recorded in the prospectus dated 25.01.1995, with actual performance as to profiability are set out below in respect of year ended on 31st March, 1998.

Particulars	Actuals (Rs. In Lacs)	Projections (Rs. In Lacs)
Sales Income	826.08	3094.53
PAT	35.47	237.23
Net Worth	354.85	558.23
E. P. S. (Rs.)	1.10	7.39
Book Value (Rs.)	11.05	18.41