



**KANCHAN
INTERNATIONAL LIMITED**

6th Annual Report 1999-2000

KANCHAN INTERNATIONAL LIMITED**Company Informations****Board of Directors**

| | | |
|--------------------|---|-------------------|
| Ashok C. Khimavat | - | Chairman |
| Dinesh C. Khimavat | - | Managing Director |
| Bharat H. Pipalia | - | Director |

Auditor

Jayant Salian & Company
 207, Marine Chambers,
 New Marine Lines, Mumbai - 400 020.

Banker

Dena Bank

Registered Office

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

Corporate Office

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

Manufacturing Facility

22-E, GDDIDC,
 Somnath Road, Dabhel,
 Daman - 396 210

NOTICE

Notice is hereby given that the Sixth Annual General Meeting of the members of KANCHAN INTERNATIONAL LIMITED will be held at the registered office of the Company at 7, Salooni Apts. 56th Road, TPS Borivali (W), Mumbai - 400 092 on 12th August, 2000 at 11.30 a. m. to transact the following business :

ORDINARY BUSINESS :

1. To consider and adopt the Balance Sheet as at 31st March, 2000, Profit and Loss Account for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Ashok Khimavat who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Auditors to hold office from the conclusion of the this Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

By order of the Board

Place : Mumbai

Dated : 26th June, 2000

Chairman

Registered Office :
Kanchan International Limited
7 Salooni Apartment,
56th Road, TPS Borivali (W),
Mumbai - 400 092.

NOTES

1. 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 proxy should, however, be deposited at the Registered office of the Company not less than forty eight hour before the commencement of the meeting.
2. The Register of Member and Share Transfer Books of the Company will remain closed from 11th August, 2000 to 12th August, 2000 (Both the days inclusive).
3. 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.
4. Members are requested to intimate the change in their addresses, if any, immediately to the company at its Corporate Office.
5. Members/ Proxies should bring the Attendance Slip duly filled in for attending the meeting.
6. All documents referred to in the accompanying Notice are open for inspection at the Registered Office of the Company during office hours on all working days, except Saturdays, and holidays, between 11.00 a.m. and 1.00 p. m. upto the date of the Annual General Meeting.
7. Shareholders are requested to bring their copy of Annual Report to the Meeting.

DIRECTORS REPORT

To

The Members.

Your Directors have pleasure in presenting the Sixth Annual Report together with the Audited Statements of Accounts of the company for the year ended 31st March, 2000

FINANCIAL RESULTS :

| PARTICULARS | YEAR ENDED 31.03.2000 | YEAR ENDED 31.03.1999 |
|------------------------------------|--------------------------|--------------------------|
| Sales | 1504.42 | 1051.77 |
| Profit before Tax and Depreciation | 82.61 | 63.48 |
| Depreciation | 13.44 | 8.00 |
| Profit before Taxation | 69.17 | 55.48 |
| Provision for Taxation | Nil | 1.00 |
| Net Profit after taxation | 69.17 | 54.49 |
| Balance B/F from Previous Year | 38.33 | 33.84 |
| Prior period Adjustment - (Dep.) | (4.75) | 0.00 |
| Profit available for Appropriation | 102.75 | 88.33 |
| APPROPRIATION: | | |
| General Reserve | 25.00 | 50.00 |
| Balance carried to Balance sheet | 77.75 | 38.33 |

REVIEW OF OPERATIONS :

Your company has achieved sales turnover of Rs.1504.42 Lacs during the current Financial Year as compared to Rs.1051.77 lacs during the previous year recording a growth of 43%. These have been achieved through development of new markets. The Company has taken measures to adopt innovative strategies to increase the turnover and also to increase the profitability of the Company and will be able to serve you better.

EXPANSION PROJECT :

The Company is presently engaged in manufacturing of advanced range of home appliances at its factory at Daman. Considering the penetration of the brand "KANCHAN" among the Indian households and to reap the benefits of large scale production, the Company has undertaken the expansion program by establishing one more unit to manufacture aluminium and stainless steel pressure cookers at its factory at Daman. The Company is planning to start the trial production in the month of August 2000.

DIVIDEND :

The Board of Directors have decided to plough back the entire profits earned for the better growth of the Company and hence not recommend any dividend for the year.

DIRECTORS :

Mr.Ashok Khimavat . Director of the Company is liable to retire by rotation and being eligible, offers himself for re-appointment.

FIXED DEPOSITS :

The company has not accepted any deposits within the purview of section 58A of the Companies Act, 1956 during the year under review.

CONSERVATION OF ENERGY :

The particulars pursuant to requirement under Section 217(1)(e) of the Companies Act, 1956 are as under :

- a. The Company's operation involve low energy consumption, hence there is hardly any measure requires to be taken for conservation of energy.
- b. There was no technology absorption during the year.
- c. Total foreign exchange used and earned during the year NIL.

PARTICULARS OF EMPLOYEES :

None of the employees of the Company were paid remuneration in excess of the limits prescribed u/s 217(2) (A) of the Companies Act, 1956 read with Companies (particulars of employees) Rules, 1975, as amended by the Companies (Amended) Act, 1988 are not given.

AUDITORS :

The present Statutory Auditors of the Company M/s. Jayant Salian & Co. retire at the conclusion of ensuing Annual General Meeting and are eligible for re-appointment.

APPRECIATION :

The management wishes to place on record its appreciation for the co-operation received from its Bankers, Distributors, Suppliers, Media Agents, and the employees. Your Directors thank the Shareholders for the confidence reposed by them in the Company

For and on behalf of the Board

Ashok C. Khimavat
Chairman

Place : Mumbai

Date : 26th June, 2000

Auditors' Report

To the Members,

KANCHAN INTERNATIONAL LIMITED.

We have audited the attached Balance Sheet of M's. **KANCHAN INTERNATIONAL LTD.** as at 31st March, 2000 and the Profit & Loss Account of the Company for the year ended on that dated annexed thereto and report that :

1. As required by the manufacturing and other Companies (Auditors Report) order, 1988, issued by the Company Law Board in terms of Section 227 (4A) of the Companies Act, 1956, we give in the Annexure hereto a statement on the matters specified in paragraph 4 & 5 of the said order;
2. Further to our comments in the Annexure referred to in paragraph 1 above : we state that :
 - a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - b) In our opinion, proper books of account, as required by law, have been kept by the Company, so far as appears from our examination of those books.
 - c) The Balance Sheet and the Profit & Loss Account referred to in this report are in agreement with the books of account.
 - d) In our opinion and to the best of our information and according to the explanations given to us, the said Balance Sheet and Profit & Loss Account read together with the Significant Accounting Policies and other notes thereon give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view:
 - i) In the case of the Balance Sheet, of the state of Affairs of the Company as at 31st March, 2000 and ;
 - ii) In the case of the Profit and Loss Account, of the profit for the year ended on that date.

**For Jayant Salian & Co.
Chartered Accountants**

**Place : Mumbai
Dated : 26th June, 2000**

**Jayant Salian
Proprietor**

ANNEXURE TO THE AUDITORS' REPORT

(Referred to in paragraph 1 of our Report of even date on the accounts of KANCHAN INTERNATIONAL LIMITED for the year ended 31st March, 2000)

- i) The Company has maintained proper records showing full particulars, including quantitative details and situation of its fixed assets. According to the information and explanations given to us the fixed assets have been physically verified by the management during the year in a phased periodical manner which in our opinion is reasonable having regard to the size of the company and the nature of the Assets. No material discrepancies were noticed on such verification.
- ii) None of the Fixed Assets have been revalued during the year.
- iii) According to the information and explanations given to us, the stock of finished goods, raw material and stores and spares have been physically verified by the management. In our opinion the frequency of such verification is reasonable having regard to the size of the company and the nature of its business.
- iv) In our opinion and according to the information and explanations given to us, the procedure of physical verification of stocks followed by the management were found to be reasonable and adequate in relation to the size of the company and the nature of its business.
- v) According to the information and explanations given to us, there were no material discrepancies noticed on physical verification of the stock of raw material, stores and spares and finished goods having regard to the size of the operations of the company and the same have been properly dealt with in the books of account.
- vi) In our opinion, the valuation of stock is fair and proper and is in accordance with the normally accepted accounting principles and is on the same basis as in the preceding year.
- vii) The Company has not taken any loan, secured or unsecured from a Director, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956, the terms and conditions of the loan obtained from a company under the same management as defined under the provision of section 370 (I-B) of the companies Act, 1956 are in our opinion not prejudicial to the interest of the company.
- viii) The Company has not granted any loans, secured or unsecured to the Companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956. The terms and conditions of the Loans advanced to a company under the same management within the meaning of Sub-Section (1B) of the section 370 of the Companies Act, 1956 are not prima facie prejudicial to the interest of the company.

Contd...2