

8 th ANNUAL REPORT



CERTIFIED TRUE COPY
FOR KANEL OIL & EXPORT INDS. LTD.

Vital

DIRECTOR



KANEL OIL & EXPORT INDUSTRIES LTD.

1999-2000

KANEL OIL & EXPORT INDUSTRIES LTD.**EIGHTH ANNUAL GENERAL MEETING PROGRAMME.**

DATE	:	30TH DECEMBER, 2000.
DAY	:	SATURDAY.
TIME	:	09.30 A.M.
VENUE	:	TJR HOUSE, OFF. C.G. ROAD, NAVRANGPURA, AHMEDABAD - 380 009.

NOTE TO SHAREHOLDERS :

As a measure of economy, copies of the Annual Report will not be distributed at the Annual General Meeting. Shareholders are requested to kindly bring their copies to the meeting.

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KANEL OIL & EXPORT INDUSTRIES LTD.**BOARD OF DIRECTORS**

Shri Kanaiyalal J. Thakkar
Shri Hitesh K. Thakkar
Shri Dhiren K. Thakkar

Chairman cum Managing Director
Managing Director
Director

COMPANY SECRETARY :
DARSHITA B. SHAH

COMPANY LAW CONSULTANT
M/s. Kamallesh. M. Shah & Co.,
Company Secretaries
6, Avanika Park, Khanpur,
Ahmedabad: 380 001.

BANKERS

State Bank Of Saurashtra
State Bank of Bikaner & Jaipur
State Bank Of Patiala
Dena Bank

SHARE TRANSFER AGENT

COMPUQUICK DATAMATION (I) LTD.
5/B, Parishram, Rashmi Society,
Mithakhali Cross Roads,
3rd Floor, Ahmedabad-380 006.

REGISTRAR FOR DEPOSITORY OPERATIONS

SHAREPRO SERVICES
3rd Floor, Satam Industrial Estate,
Chakola Andheri (East) Mumbai

AUDITORS

M/s. Nimesh M. Shah & Co.
Chartered Accountants
Ahmedabad.

LISTING AT

The Stock Exchange Ahmedabad
Kamdhenu Complex,
Nr. Panjarapole,
Ambawadi, Ahmedabad 380 015

The Stock Exchange Mumbai
25th Floor, P.J. Towers,
Dalal Street, Fort,
Mumbai 400 001

The Calcutta Stock Exchange
7, Lyons Range,
Calcutta : 700 001.

The Jaipur stock Exchange Ltd.
Jawaharlal Nehru Marg,
Malviyanagar,
Jaipur:302 017.

CORPORATE OFFICE

TJR House, 3rd Floor,
Opp. Sushrusha Hospital,
Off. C. G. Road, Navrangpura,
Ahmedabad - 380 009.

REGISTERED OFFICE

203, Abhijeet,
Mithakhali Cross Roads,
Ellisbridge,
Ahmedabad-380 006.

WORKS

(1) 213/214, Phase-II
Naroda Industrial Estate,
Naroda, Ahmedabad

(2) Plot No. 342/343
Village : Meda Adraj,
Taluka : Kadi, Mehsana.

(3) Survey No. 171,
Plot No.C-1, Karan Nagar,
Taluka : Kadi, Mehsana.

KANEL OIL & EXPORT INDUSTRIES LTD.**N O T I C E**

NOTICE is hereby given to the Members of KANEL OIL & EXPORT INDUSTRIES LTD. that the 8th Annual General Meeting of the Members of the Company will be held on Saturday, the 30th December, 2000 at 09:30 A.M. at TJR House, Off. C. G. Road, Navrangpura, Ahmedabad - 380 009 to transact the following Business:

ORDINARY BUSINESS:

- <1> To Receive, Consider, Approve and Adopt the Audited Statement of Accounts i.e. The Audited Balance Sheet as at 30/06/2000, the Profit & Loss Account for the year ended on that date and the Report of the Auditors and Directors thereon.
- <2> To Appoint a Director in Place of Shri Kanaiyalal J. Thakkar, who retires by rotation at this Annual General Meeting and being eligible offers himself for reappointment.
- <3> To Appoint the Auditors for the next Financial Year to hold the office as such from the conclusion of this Annual General Meeting upto the conclusion of the next Annual General Meeting and to fix their remuneration.

DATE :18/11/2000.

PLACE : AHMEDABAD.

**BY ORDER OF THE BOARD OF DIRECTORS OF
KANEL OIL & EXPORT INDUSTRIES LIMITED**

Sd/-

**HITESH K. THAKKAR
MANAGING DIRECTOR.**

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NOTES:

- <1> A Member entitled to attend and vote at the meeting is also entitled to appoint a Proxy to attend and vote instead of himself and on behalf of him and that a Proxy need not be a member of the company.
- <2> Proxies in order to be effective should be duly completed in the prescribed form stamped and signed and must be deposited at the Registered office of the company not less than 48 hours before the time fixed for the meeting.
- <3> Members are requested to bring their copy of the Annual Report to the meeting as no extra copies will be distributed at the meeting hall as a measure of economy.
- <4> Members desiring any information as regards accounts are requested to write to the company atleast 7 days before the meeting to enable the management to keep the information ready.
- <5> Members are requested to be in their seats at the meeting before the scheduled time of commencement of the Meeting to avoid interruption in the proceedings.
- <6> Members are requested to intimate any change in their addresses if any directly at the Corporate Office of the Company.
- <7> The Register of Members and Share Transfer Books of the Company Shall remain Closed from 21/12/2000 to 30/12/2000 (Both Days Inclusive).
- <8> The Company has signed Triparty Agreement with NSDL and CDSL for Dematerialising of its Equity Shares. SEBI has announced that the company's shares will be compulsorily traded in Demat form only w.e.f.26/03/2001. The Equity shares are now available for dematerialisation. The shareholders can take the timely benefits and take necessary action to dematerialise their shareholding.

KANEL OIL & EXPORT INDUSTRIES LTD.**DIRECTORS' REPORT**

To,
The Members,

KANEL OIL & EXPORT INDUSTRIES LIMITED

Your Directors have pleasure in presenting herewith 8th Audited Annual Report together with the Audited Statement of Accounts of the Company for the year ended on 30th June, 2000.

FINANCIAL HIGHLIGHTS.

During the financial year 1999-2000, the Financial operational results of the Company is as follows :

Particulars	(Rupees in Lacs)	
	For the year ended on 30/06/2000	For the Period 01/04/98 to 30/06/99 (15 Months)
Total Sales	3410.20	21798.18
Profit/(Loss) Before Depreciation		
Depreciation	(1175.86)	(4524.19)
Less: Depreciation	241.12	717.36
Profit/(Loss) Before Tax	(1416.98)	(5241.55)
Less: Prior Period adjustment	108.61	62.37
Less: Provision for Taxation	NIL	NIL
Net Profit/(Loss) After Tax	(1525.58)	(5303.93)
Add: Balance carried from Previous Year	(4158.11)	1145.81
Profit/(loss) available for appropriation.	NIL	NIL
Transfer to General Reserve	NIL	NIL
Proposed Dividend.	NIL	NIL
BALANCE PROFIT/(LOSS) CARRIED TO BALANCE SHEET	(5683.69)	(4158.11)

DIVIDEND

Due to Loss suffered during the year, your Directors regret for their inability to recommend any amount of Dividend.

OPERATIONS DURING THE YEAR

During the year under review, your Company has achieved a Total Sales of Rs.3410.20 Lacs as against Rs.21798.18 Lacs in the Previous Year.

The Company has incurred losses on account of less capacity utilisation and due to lack of working capital requirement. During the year the Company has faced severe financial crunch but efforts are being made to improve the situation in the coming year and the Company is hopeful to come out of it in the years to come.

REHABILITATION

The Company had made a reference to the Board for Industrial And Financial Reconstruction (BIFR) for its sickness and revival. The company has been declared a sick unit by the BIFR pursuant to the order of the BIFR dated 16/08/2000. As per the directions of the BIFR, IDBI has been appointed as operating Agency and accordingly, the Company has submitted its Draft Rehabilitation Scheme for the approval.

KANEL OIL & EXPORT INDUSTRIES LTD.

INFORMATION PURSUANT TO THE LISTING AGREEMENT AND SEBI CIRCULAR NO. SMDRP/CIR-14/98 DATED APRIL 29TH, 1998.

LISTING AND ITS STATUS

The Company's shares are at present Listed on Ahmedabad, Mumbai, Calcutta and Jaipur Stock Exchanges. The Company has duly paid the annual listing fees upto and including the year 2000-2001 i.e. upto 31.03.2001 on The Stock Exchange Ahmedabad and Mumbai. The Shares of the Company are freely tradable on all the Stock Exchanges.

DEMATERIALISATION OF SECURITIES :

SEBI has identified the securities of the Company for compulsory trading in the Dematerialised form w.e.f.26/03/2001. by all investors on all the stock Exchanges. In compliance with the same and to facilitate the shareholders, the Company has already entered into the Triparty Agreement with NSDL and CDSL. The Investors are requested to take a note of the same and dematerialise their holdings as early as possible.

COMPLIANCE TO CODE OF CORPORATE GOVERNANCE :

Your directors have duly taken note of the amendments in the listing agreement for formation of Corporate Governance Committee within the Organisation. The Board hereby ensures the company will make timely compliance with the said guidelines.

ENVIRONMENTAL AND POLLUTION MATTERS :

The Company is maintaining high Standards in the discharge of any effluents as per the requirements and the norms fixed by the State pollution Control Board. The Company's effluent systems at all its plants are working properly and inspected/tested from time to time at regular intervals.

INSURANCE AND PROTECTION OF ASSETS :

The Company's all fixed assets and tangible movable assets are properly insured against all available commercial risks like fire, flood, earthquake and other extraneous perils from the approved insurance companies. The Company's no insurance claims are pending with any insurers as time barred.

DEPOSITS:

During the year under review your company has neither invited nor accepted any public deposit or deposits from the private parties as defined either under Section 58A of the Companies Act-1956 or under the Companies Acceptance of Public Deposits Rules and Regulations.

DIRECTORS:

Shri Kanaiyalal J. Thakkar, Managing Director of the Company retires by rotation as per provisions of the Act at this Annual General Meeting. However being eligible he has offered himself for reappointment. Your directors recommend to appoint him by passing a resolution.

AUDITORS:

M/s. Nimesh M. Shah & Co., Chartered Accountants, Ahmedabad the retiring auditors hold office of the Auditors upto the date of this Annual General Meeting as per the provisions of the Act. The Company has received a letter from the said Auditors to the effect that their appointment shall be within the limits laid down under Section 224(1B) of the Companies Act. A resolution proposing their reappointment as the regular Auditors of the company for the period from the conclusion of this Annual General Meeting upto the conclusion of the next Annual General Meeting is required to be passed. Your directors recommend to pass the said resolution.

KANEL OIL & EXPORT INDUSTRIES LTD.**NOTES OF THE AUDITORS :**

Observations/Remarks made by the Auditors in their Audit Report have been suitably explained in the notes to the Accounts forming part of the Accounts which are self explanatory and hence does not require any further clarification.

EMPLOYEES:

There are no employees of the company who were in receipt of the remuneration of Rs. 6,00,000/- in the Aggregate if employed for the year and in receipt of the Monthly remuneration of Rs. 50,000/- in the aggregate if employed for a part of the year under review. Hence the information required under Section 217 (2A) of the Companies Act, 1956 being not applicable are not given in this report.

STATUTORY INFORMATION :

The Statutory Information required to be disclosed as per the Provisions of section 217 (1)(e) of the Companies Act-1956 and the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules 1988 regarding the conservation of energy, technology absorption, foreign exchange earnings and outgo are given in the Annexure forming part of this report.

MATERIAL CHANGES:

No material changes have taken place since the closure of the financial accounts upto the date of this report which may affect substantially the financial performance or the statement of the company.

INDUSTRIAL RELATIONS:

The Industrial Relations were cordial during the year. Your Directors place on record their appreciation of valuable services rendered by all the workmen, staff, and officers at all levels.

APPRECIATION:

Your Directors take this opportunity to acknowledge the trust reposed in your company by its Shareholders, Bankers and clients. Your Directors also keenly appreciate the dedication & Commitment of all our employees, without which the continuing progress of the company would not have been possible.

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DATE : 18/11/2000
PLACE : AHMEDABAD.

ON BEHALF OF THE BOARD OF DIRECTORS OF
KANEL OIL & EXPORT INDUSTRIES LIMITED

Sd/-

KANAIYALAL J. THAKKAR
CHAIRMAN-CUM-MANAGING DIRECTOR

KANEL OIL & EXPORT INDUSTRIES LTD.**ANNEXURE 'A' TO THE DIRECTOR'S REPORT****INFORMATION UNDER SECTION 217(1)(e) AND (DISCLOSURE OF PARTICULARS IN THE REPORT OF THE BOARD OF DIRECTORS) RULES 1988.****A. CONSERVATION OF ENERGY :****a. Power & fuel consumption**

	Current Year	Previous Year
1. Electricity		
Purchase Unit (KWH in lacs)	26.12	24.69
Total Amount (Rs.in lacs)	116.58	121.73
Average Rate/Unit	4.46	4.93
2. Fuel Quantity in M.t.		
purchase Unit (MT/KG)	6289.433	7686.78
Total Amount (Rs. in Lacs)	89.98	91.63
Average Rate/Unit	1431.00	1192.00

b. Consumption per unit of Production :

1. Electricity (KWH-MT/kg)	0.110	0.073
2. Fuel-MT/kg	0.272	0.236

Note:

- (1) The current year's figures include the figures of the Karan Nagar (Edible Oil refinery) Plant as well as Meda Adraj Plant. In the Naroda Plant there was only Minimum Bill. The Company has been awarded benefit of Electricity Duty Exemption for its Meda Adraj unit.

B. TECHNOLOGY ABSORPTION**a. Research & Development**

The Company is making all efforts to minimise energy consumption. The Company has successfully developed certain changes in production methods to achieve better quality with less utilisation of consumables and at less losses at all its units.

C. FOREIGN EXCHANGE EARNING AND OUTGO :

	Current Year	Rs. in lacs Previous Year
- Total foreign exchange used :	2.20	4343.54
- Total foreign exchange earning :	NIL	4517.38