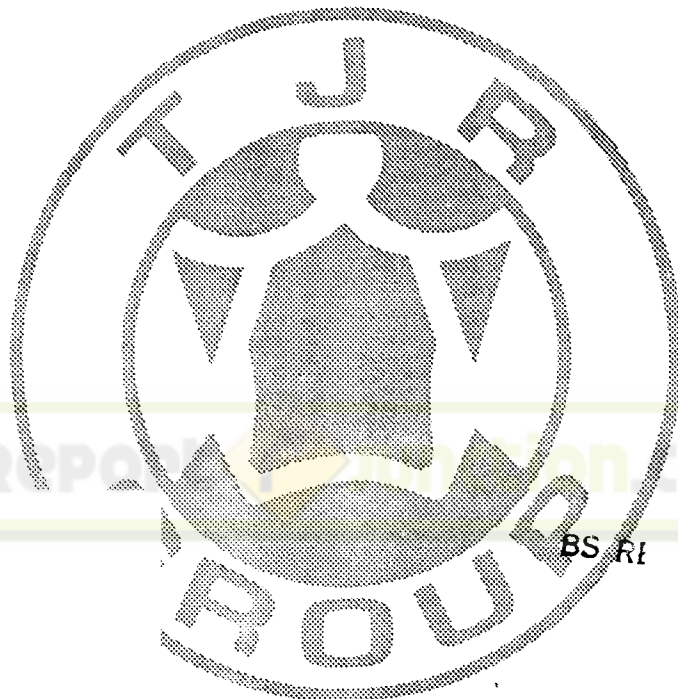


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ANNUAL REPORT



True Copy
For, Mr. A. C. S. Industries Ltd.
[Signature]
Director



KANEL OIL & EXPORT INDUSTRIES LTD.

2000-2001

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NINTH ANNUAL GENERAL MEETING PROGRAMME

DATE : 31ST DECEMBER, 2001.
DAY : MONDAY
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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BOARD OF DIRECTORS

Shri Kanchaylal J. Thakkar
Shri Hitesh K. Thakkar
Shri Dhiren K. Thakkar

Chairman cum Managing Director
Managing Director
Director

COMPANY SECRETARY

Darshita B. Shah
A/114,, 11th Floor,
Sarita Govind Plaza,
Judges Bungalow Road,
Ahmedabad.

SHARE TRANSFER AGENT

COMPUQUICK DATAMATION (I) LTD.
5B, Rashmi Society,
Parishram, Nr. Mithakhali Six Roads,
Navrangpura,
Ahmedabad.

COMPANY LAW CONSULTANT

M/s. Kamlesh. M. Shah & Co.,
Company Secretaries
6, Avanika Park, Khanpur,
Ahmedabad: 380 001.

REGISTRAR FOR DEPOSITORY

SHAREPRO SERVICES
Satam Industrial Estate,
3rd Floor, Above Bank of Baroda
Chakla, Andheri (East)
Mumbai.

STATUTORY AUDITORS

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

INTERNAL AUDITOR

M.K. Trivedi & Co.
Chartered Accountants
Ahmedabad.

BANKERS OF THE COMPANY

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

Report Junction.com

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.

ADMINISTRATIVE 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 00

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.

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KANEL OIL & EXPORT INDUSTRIES LTD
NOTICE

NOTICE is hereby given to the Members of KANEL OIL & EXPORT INDUSTRIES LTD. that the 9th Annual General Meeting of the Members of the Company will be held on Monday, the 31st December, 2001 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 30/06/2001, 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 Dhiren K. 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 :01/11/2001.
PLACE : AHMEDABAD.

**BY ORDER OF THE BOARD OF DIRECTORS OF
KANEL OIL & EXPORT INDUSTRIES LIMITED**
Sd/-
KANAIYALAL J. THAKKAR
CHAIRMAN CUM MANAGING DIRECTOR

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 registered 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 24/12/2001 to 31/12/2001 (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.

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KANIEL OIL & EXPORT INDUSTRIES LTD.

DIRECTORS' REPORT

To,
The Members,
KANIEL OIL & EXPORT INDUSTRIES LIMITED

Your Directors have pleasure in presenting herewith the 9th Audited Annual Report together with the Audited Statement of Accounts of the Company for the year ended on 30th June, 2001.

FINANCIAL HIGHLIGHTS.

During the financial year 2000-2001, the Financial operational results of the Company are as follows :

Particulars	(Rupees in Lacs)	
	For the year ended on 30th June, 2001	For the year ended on 30th June, 2000
Total Sales	6932.59	3410.20
Profit/(Loss) Before Depreciation		
Depreciation	(1179.40)	(1175.85)
Less: Depreciation	208.31	241.12
Profit/(Loss) Before Tax	(1387.71)	(1416.97)
Less: Prior Period adjustment	2.91	108.61
Less: Provision for Taxation	NIL	NIL
Net Profit/(Loss) After Tax	(1390.62)	(1525.58)
Add: Balance carried from Previous Year	(5683.69)	(4158.11)
Profit/(loss) available for appropriation.	NIL	NIL
Balance carried to BALANCE SHEET.	(7074.32)	(5683.69)

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.6932.59 lacs inclusive of Job work income as against Rs.3410.20 lacs in the Previous Year. The Company has also earned other income of Rs. 33.32 lacs. 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 was declared a Sick Industrial Company within the meaning of Section 3(1) (O) of the Sick Industrial Companies (Special Provisions) Act, 1985 but appellate authority (AAIFR) has rejected the said reference vide their order dated 08.02.2001. However the company has filed second reference with the BIFR based on the accounting year ended on 30.06.2000 to declare the company as sick within the meaning of the Section 3 (1) (O) of Sick Industrial Companies (Special Provisions) Act, 1985 BIFR has registered the same as case no. 78/2001 vide their dated 16.02.2001.

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MANEKO & 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 2001-2002 i.e. upto 31.03.2002 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 :

The Company is planning to implement Corporate Governance as per Clause 49 of Listing Agreement but as the company is a Sick Industrial Company it is difficult to include more professional directors in the management team at this stage. However, the company is strengthening its top management 1st line team by appointing more professional persons. The Company intends to achieve corporate governance by end of March-2002.

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 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.

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 Dhiren K. Thakkar, 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.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the provision contained in Section 217(2AA) of the Companies Act, 1956, the Directors of your Company confirm :

(A) that in the preparation of the annual accounts, the applicable accounting standards have been followed and no material departures have been made from the same;

(B) that they 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 affair of the Company at the end of the financial year and of the profit or loss of the Company for that period;

(C) that they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company for preventing and detecting fraud and other irregularities;

(D) that they have prepared the annual accounts on a going concern basis.

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KANAL OIL & EXPORT INDUSTRIES LTD

AUDITORS

STATUTORY AUDITOR :

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.

INTERNAL AUDITOR :

M/s. M.K.Trivedi & Co., Chartered Accountants, Ahmedabad have been appointed as internal auditor of the Company. The Company has received a letter from the said Auditors to act as Internal Auditors.

AUDITORS' OBSERVATION:

Observations/Remarks made by the Auditors in their Audit Report have been suitably explained hereunder:

1. The Company has undisputed Income Tax Liability of Rs.85,00,340/- which has not been paid due to liquidity crunch and non availability of adequate funds for the same.
2. The Company has outstanding statutory Liabilities of P.F. & E.S.I.. However, the Management is taking aggressive steps to discharge these liabilities at the earliest possible time.

Rest of the observation are properly explained by way of Notes to the Accounts.

EMPLOYEES

There are no employees of the company who were in receipt of the remuneration of Rs.12,00,000/- in the aggregate if employed for the year and in receipt of the Monthly remuneration of Rs. 1,00,000/- 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 are 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.

DATE :01/11/2001
PLACE : AHMEDABAD.

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

Sd/-

KANAIYALAL J. THAKKAR
CHAIRMAN CUM MANAGING DIRECTOR.

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CASTOR 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

1. Electricity

	Current Year	Previous Year
Purchase Unit (KWH in lacs)	23.83	26.12
Total Amount (Rs.in lacs)	111.80	116.58
Average Rate/Unit	4.69	4.46

2. Fuel Quantity in M.t.

purchase Unit (KWH in Lacs)	4696.992	6289.433
Total Amount (Rs. in Lacs)	66.68	89.98
Average Rate/Unit	1419.00	1431.00

b. Consumption per unit of Production :

1. Electricity (KWH-MT/kg)	0.085	0.110
2. Fuel-MT/kg	0.167	0.272

B. TECHNOLOGY ABSORPTION

a. Research & Development

The company has developed in house laboratory facility and after the certain test and research work, the company has developed new range of product (i.e. hyderagenated castor oil, 12-hydrofetic acid, de-hydrated castor oil, de-hydrated castor oil fatty acid, turkey red oil, pale pressed castor oil and bio-fertiliser). The company is now commercialising this research and setting up the facilities for the manufacturing of aforesaid derivatives at village : Mediadraj, Ta : Kadi, Dist : Mehsana.

C. FOREIGN EXCHANGE EARNING AND OUTGO :

	Current Year	Previous Year
- Total foreign exchange used :	Nil	2.20
- Total foreign exchange earning :	Nil	Nil