

MD	✓		BKC	✓
CS	✓		DPY	NA
RO	✓		DIV	NA
TEA	✓		AC	✓
ACM	✓	✓	SHI	✓
YE	✓	✓		✓



KANORIA
PLASCHEM LTD

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1996 - 97

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FOURTH ANNUAL GENERAL MEETING

DAY : Tuesday, the 9th September 1997

Time : 10.30 A.M.

Place : Hotel Cauvery Continental
37/11, Cunningham Road
Bangalore-560 052

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BOARD OF DIRECTORS

SHRI R.P. KANORIA - *Chairman*
SHRI ASHISH KANORIA - *Managing Director*
SHRI K.P. PADMANABHA
SHRI R.C. SARAF
SHRI P. THIRUVENGADAM
SHRI RAJIV KHAITAN
SHRI SIDDHARTHA KANORIA

COMPANY SECRETARY SMT. MANIMEKALA V. RAJ

AUDITORS M/S. GOWTHAMA & COMPANY
Chartered Accountants
Bangalore-560 069

BANKERS STATE BANK OF HYDERABAD

SHARE TRANSFER AGENTS M/S. ALPHA SYSTEMS PVT LTD
30/1, Leeman's Complex
Cunningham Road
Bangalore-560 052

REGISTERED OFFICE 103, 1st Main, 7th Cross
Lower Palace Orchards
Bangalore-560 003

FACTORY 121A Bommasandra Industrial Area
Hebbagodi Village
Bangalore-560 128



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NOTICE TO THE SHAREHOLDERS

NOTICE is hereby given that the Fourth Annual General Meeting of the Company will be held on Tuesday, the 9th September 1997 at 10.30 A.M. at Hotel Cauvery Continental, 37/11, Cunningham Road, Bangalore - 560 052 to transact the following business :

1. To receive, consider and adopt the Audited Balance Sheet as on 31.03.97 and the Profit and Loss Account for the year ended as on that date together with the Report of the Directors' and Auditor's thereon.
2. To appoint a Director in the place of Shri R.C. Saraf who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in the place of Shri Rajiv Khaitan, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Auditors to hold Office from the conclusion of this Meeting until the conclusion of the next Annual General Meeting.

M/s. Gowthama & Company retire at this Annual General Meeting and are eligible for re-appointment.

By Order of the Board,

Place : Bangalore
Date : 30.06.97

MANIMEKALA V RAJ
Company Secretary

NOTE :

1. A member entitled to attend and vote at the Meeting may appoint a proxy to attend and vote at the Meeting instead of himself. The Proxy so appointed need not be a member of the Company. Proxy forms in order to be effective, should be deposited at the Registered Office of the Company at least 48 hrs before the Meeting.
2. The Register of Members and Share Transfer Book will remain closed from 06.09.97 to 09.09.97 (both days inclusive).
3. Members are requested to notify immediately any change in their address to M/s Alpha Systems (P) Ltd., 30/1, Leaman's Complex, Cunningham Road, Bangalore - 560 052, Share Transfer Agents of our Company.
4. Members are requested to bring their copy of the Annual Report and attendance slip duly filled in the Meeting.



DIRECTORS' REPORT TO THE SHAREHOLDERS

Your Directors place before you the Fourth Annual Report on the working of your Company and the Audited Statement of Accounts for the year ended 31.03.97.

1. PERFORMANCE OF THE COMPANY DURING THE YEAR UNDER REVIEW

The Indian economy has been facing difficult times due to reasons of political instability, poor infrastructural facilities, opening of industry to foreign players and liquidity crunch. In particular, the consumer durables and automotive sectors which are major markets for the Company have suffered largely due to these factors. Further, the power situation in the State has been dismal which has also affected the workings in terms of escalated energy costs compounded with adverse effect on the operations.

During the year under review, your Company has completed the expansion plan of its Plastic Moulding Facilities by adding capacity of 1650 TPA. In view of the prevailing economic scenario the Company could achieve a Turnover of only Rs.405.80 Lakhs which, although showed an increase by 65.43% compared to last year, is lower than the projections made in the prospectus. While profit before depreciation and taxation is Rs.13.10 Lakhs for the year, the Company has incurred a net loss of Rs.5.22 Lakhs.

2. DIVIDEND

In view of the net loss, your Directors regret their inability to recommend dividend for the year 1996-97.

3. DEPOSITS

The Company has not accepted deposits from the public during the year under review.

4. DIRECTORS

Shri R.C. Saraf and Shri Rajiv Khaitan retire by rotation and being eligible offer themselves for re-appointment.

5. AUDITORS

M/s. Gowthama and Company, Chartered Accountants, Bangalore, retire at the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment.

6. INFORMATION OF EMPLOYEES PURSUANT TO SECTION 217 (2A) OF THE COMPANIES ACT 1956

Details of the employees of the Company who have drawn remuneration exceeding the limits laid down under section 217(2A) of the Companies act, 1956 read with the Companies (particulars of employees) Rules 1975 is annexed.

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7. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS / OUTGO

The Company has taken adequate steps to conserve energy. There has been no technology absorption or Foreign Exchange earning / outgo during the year under review.

8. DETAILS UNDER CLAUSE 43 OF THE LISTING AGREEMENT WITH STOCK EXCHANGES

The details as required to be given pursuant to clause 43 of the Listing Agreement with Stock Exchanges is as under.

	(Rs. in Lakhs)	
	Projections	Performance
Sales	968.00	405.80
Net Profit/(Net Loss)	194.41	(5.22)
EPS	4.01	-
Dividend (%)	10%	-

The shortfall in projections was mainly because of the sluggish conditions prevailing in the Indian economy along with acute power problems in the state.

9. ACKNOWLEDGEMENTS

Your Directors wish to place on record their appreciation for the support and assistance received from Banks, Financial Institutions, Central and State Government and employees of the Company.

for and on behalf of the Board

Place : Bangalore
Date : 30.06.97

R.P. KANORIA
Chairman



ANNEUXRUE TO THE DIRECTORS' REPORT

DETAILS OF EMPLOYEES PURSUANT TO SECTION 217(2A)

NAME	AGE	GROSS REMUNERATION	QUALIFICATION	EXPERIENCE	DATE OF COMMENCEMENT OF EMPLOYMENT	LAST EMPLOYMENT & DESIGNATION
ASHISH KANORIA	31	3,25,950.00	B.Com.	11 Yrs.	09.04.94	-

Shri Ashish Kanoria is a relative of Shri R.P. Kanoria and Shri Siddhartha Kanoria, Directors of the Company.

Place : Bangalore
Date : 30.06.97

R.P. KANORIA
Chairman

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AUDITORS' REPORT TO THE SHAREHOLDERS

We have audited the attached Balance Sheet of KANORIA PLASCHEM LIMITED, BANGALORE, as at March 31, 1997 and also the Profit and Loss Account of the Company for the year ended on that date annexed thereto and report that :

1. We have obtained all the informations and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
2. In our opinion, proper books of accounts as required by law have been kept by the Company so far as appears from our examination of the books.
3. The Balance Sheet and Profit and Loss Account dealt with by the report are in agreement with Books of Accounts.
4. In our opinion and to the best of our information and according to the explanation given to us, the accounts read with the notes thereon, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view :

a. in the case of the Balance Sheet of the state of affairs of the Company as on March 31, 1997.

and

b. in the case of Profit and Loss Account of the loss for the year ended on that date.

As required by Manufacturing and other Companies (Auditor's Report) Order, 1988 and in terms of the information and explanation given to us and on the basis of such checks as we consider appropriate, we further state that :

1. The Company is maintaining proper records showing full particulars including quantitative details and situation of all the fixed assets. The fixed assets have been physically verified by the management at reasonable intervals and no material discrepancies were noticed on such verification.
2. None of the fixed assets have been revalued during the year.
3. The stock of finished goods, stores, spare parts and raw-materials have been physically verified by the management at reasonable intervals.
4. As per information and explanation obtained, the procedure of physical verification of stocks followed by the management are reasonable and adequate in relation to the size of the Company and nature of its business.
5. The discrepancies noticed on the verification between physical stock and the book records were not material in relation to the operation of the Company and the same have been properly dealt with in the books of accounts.