



EIGHTEENTH ANNUAL REPORT

2010-2011

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CORPORATE DETAILS

Board of Directors :

Shri Ashish Kanoria

Chairman & Managing Director

Shri Sunil Kumar Sarowgi

Director

Shri Siddhartha Kanoria

Director

Share Transfer Agents :

M/s Integrated Enterprises Ltd

30, Ramana Residency,

Ground Floor, 4th Cross,

Sampige Road, Malleswaram,

Bangalore - 560 003

Auditors :

M/s. Gowthama & Company

Chartered Accountants

Bangalore - 560 069.

Bankers:

State Bank Of Hyderabad

Registered Office :

121A, Bommasandra Industrial Area

Hebbagodi Village, Anekal Taluk

Bangalore - 560 099

Factory :

121A, Bommasandra Industrial Area

Hebbagodi Village, Anekal Taluk

Bangalore - 560 099

CONTENTS

Notice

Board of Directors

Directors' Report

Auditor's Report

Annexure to Auditor's Report

Balance Sheet

Profit and Loss Account

Schedules

Significant Accounting Policies

Notes Forming Part of Accounts

Balance Sheet Abstract and Company's

General Business Profile

Cash Flow

Proxy Form

EIGHTEENTH ANNUAL REPORT

DAY : 14.09.2011

TIME : 9.00 AM

PLACE: GOLD COIN CLUB ANDHAPURA, ELECTRONIC CITY POST,

OFF. HUSKUR ROAD, BANGALORE - 561 229

EIGHTEENTH ANNUAL REPORT

NOTICE

Notice is hereby given that the Eighteenth Annual General meeting of the Company will be held on Wednesday, 14th September 2011 at 9.00 a.m. at Gold Coin Club, Electronic City, Anandapura, Bangalore to transact the following business;

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as on 31.03.2011 and the Profit and Loss Account for the year ended as on that date together with the report of the Director and Auditor's thereon.
2. To appoint a Director in the place of Sri. Siddhartha Kanoria who retires by rotation and being eligible offer himself for re-appointment.
3. To appoint retiring Auditors M/s. Gowthama & Company to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting & to fix their remuneration.

By Order of the Board

Place: Bangalore
Date : 15th June 2011

ASHISH KANORIA
Chairman & Managing Director

Notes:

1. A member entitled to attend and vote at the Meeting may appoint a proxy to attend and vote instead of himself. The proxy so appointed need not be a member of the Company. Proxy to be valid shall be deposited with the Company not later than Forty Eight hours before the time for holding the meeting.
2. Members are requested to notify immediately any change in their address to M/s. Integrated Enterprises Ltd, No 30, Ramana Residency, Ground Floor, 4th Cross, Sampige Road, Malleshwaram, BANGALORE-560 003 Share Transfer Agents of our Company.
3. Members are requested to bring their copy of the Annual Report and Attendance Slip duly filled for attending the Meeting.

EIGHTEENTH ANNUAL REPORT

DIRECTORS REPORT TO THE SHARE HOLDERS

Your Directors place before you the Eighteenth Annual Report on the working of your Company and the Audited Statement of Accounts for the year ended 31st March 2011.

1. PERFORMANCE OF THE COMPANY DURING THE YEAR UNDER REVIEW:

The financial performance during the year ended March 31, 2011 is briefly summarized below:

Particulars	For the Current Year Ended 31-03-2011 (Rs. In Lacs)	For the Previous Year Ended 31-03-2010 (Rs. In Lacs)
Total Income	1562.93	991.96
Gross Profit (Loss) after Interest and before Depreciation	63.88	36.17
Depreciation,	49.99	35.06
Income Tax	2.60	0.20
Profit/ (Loss) after tax	102.64	0.91

2. DIVIDEND

Since the company has accumulated losses, your Directors decided not to recommend dividend for the year 2010-2011.

3. DEPOSITS

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

4. DIRECTORS

- a. We regret to inform that Shri K.P. Padmanabha, has reached heavenly abode on 04th May 2011. The management remembers the services rendered by Shri K.P. Padmanabha to the company.
- b. Shri Siddhartha Kanoria, retires by rotation and being eligible offers himself for re-appointment at the ensuing Annual General Meeting.

5. DIRECTORS' RESPONSIBILITY STATEMENT

As required under Section 217(2AA) of The Companies Act, 1956 your Directors state that:

- While preparing Annual Accounts for the year ending 31st March 2011, the applicable Accounting Standards have been followed along with proper explanations relating to material departures:
- Company had selected such accounting policies and applied them consistently and made judgments that are reasonable and prudent which gives true and fair view of the affairs of the Company.
- Company had taken proper and sufficient care for the maintenance of adequate Accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- Company had prepared accounts for the year ending 31st March 2011 on a going concern basis.

EIGHTEENTH ANNUAL REPORT

6. Reply to Auditors Qualifications:

Non compliance of Section 297(1) of Company's Act, 1956- The Company has taken up the matter with the legal person for making the application to central Government.

Non compliance of clause 49 of the listing agreement: As the shares of the Company are not being traded on the stock exchange for long time due to losses, the compliance has not been done.

Gratuity provision: The Company proposes to take the help of Actuarial valuer, for gratuity valuation.

Depreciation written back: The company has revised the value of the plant and machinery in accordance with the market value based on the certificate issued by registered Chartered Engineer. The depreciation is charged on the basis of useful life of the machinery. Excess depreciation charged earlier has been written back.

MSME Disclosure: The company has made effort to get the information from the suppliers. However the company yet to receive the information hence disclosure is not being done.

7. STATUTORY COMPLIANCE CERTIFICATE

As required under Section 383A of the Companies Act, 1956, Statutory Compliance Certificate issued by a Company Secretary in Whole Time Practice is annexed herewith.

8. 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.

9. INFORMATION OF EMPLOYEES

None of the employees were drawing remuneration more than the limit prescribed under section 217(2A) of the Companies act, 1956.

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

The information required U/s 217(1)(e) of the Company's Act 1956, read with the Companies (disclosure of particulars in the report of the Board of Directors 1988 is appended hereto and forms part of this report.

11. ACKNOWLEDGEMENTS

The Directors thank the Customers, Suppliers, Financial Institutions, Banks and share holders for their continued support and also recognize the contribution made by the employees to the Company's progress during the year under review.

For and on behalf of the Board

Place: Bangalore
Date : 15-06-2011

(ASHISH KANORIA)
Chairman & Managing Director

EIGHTEENTH ANNUAL REPORT

ANNEXURE TO DIRECTORS' REPORT

INFORMATION AS PER SECTION 217 (1)(E) READ WITH COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS RULES, 1988 AND FORMING PART OF THE DIRECTORS REPORT FOR THE YEAR ENDED 31-03-2011

1 . CONSERVATION OF ENERGY

The company has installed energy saving devices like power capacitors during the previous year to improve the power factor and thereby reducing the power consumption wherever possible. Efforts are being made to achieve further improvements.

POWER AND FUEL CONSUMPTION

ELECTRICITY

PURCHASE	31-03-2011	31-03-2010
Unit	11,64,276	7,26,798
Total amount (Rs)	60,38,538	38,17,308
Rate / Unit (Rs)	5.19	4.84

OWN GENERATION THROUGH DIESEL

PURCHASE	31-03-2011	31-03-2010
Generator Unit (KVA)	1,42,560	92,785
Purchase of Diesel Oil (in Ltrs)	37,300	28,200
Cost of Diesel (Rs)	13,55,080	9,31,779
Cost /Unit (only cost of Diesel included)	9.51	10.04

2. TECHNOLOGY ABSORPTION

The Company has, since inception developed and manufactured its products with in-house research and development. The company constantly upgrades its Technology through constant review and adaptation.

3. RESEARCH AND DEVELOPMENT

The Company has not undertaken any new Research and Development activities during the year under review. However, it is carrying on its Research and Development activities commenced during the previous year.

4. FOREIGN EXCHANG EARNING AND OUTGO

The Company has not spent any Foreign exchange and outgo during the year.

For and on behalf of the Board

Place: Bangalore
Date : 15-06-2011

(ASHISH KANORIA)
Chairman & Managing Director

EIGHTEENTH ANNUAL REPORT

M/S GOWTHAMA & COMPANY,
CHARTRED ACCOUNTS,

23/57, 41ST CROSS, EAST END,
“C” MAIN ROAD, 9TH BLOCK,
JAYANAGAR, BANGALORE-69

AUDITORS REPORT

TO THE MEMBERS OF KANORIA PLASCHEM LTD.

We have audited the attached Balance Sheet of M/s KANORIA PLASCHEM LTD. as at MARCH 31ST, 2011 and also the Profit & Loss Account and the Cash Flow statement for the year ended as on that date annexed hereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the Companies (Auditor's Report) Order, 2003 as amended by Order 2004, issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 & 5 of the said Order.

Further to our comments in the Annexure referred to in paragraph 3 above, we report that:

- a. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes 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, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account.
- d. In our opinion, the Balance Sheet and Profit & Loss Account dealt with by this report *subject to regarding non provision of gratuity* comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.
- e. On the basis of written representations received from the directors, as on 31st March, 2011 and taken on record by the Board of Directors, we report that none of the directors of the Company are disqualified as on 31st March, 2011 from being appointed as director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

EIGHTEENTH ANNUAL REPORT

- f. In our opinion and to the best of our information and according to the explanations given to us the said accounts together with ; *subject to Note no3 regarding MSME disclosure; Note no18 , regarding not obtaining permission of central government for transaction with related company under provision of Section 297 of the Company's Act 1956 Note no 15, regarding non compliance of clause 49 of listing agreement; Note no16, regarding non provision of gratuity as per Accounting Standard 15 ;and Note no17 with regard to Depreciation written back* give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in confinement with the accounting principles generally accepted in India:
- (i) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2011, and
 - (ii) In the case of the Profit and Loss Account, of the Profit of the Company for the year ended on that date,
 - (iii) In the case of Cash flow statement, of the cash flow for the year ended on that date.

For GOWTHMA & COMPANY
Chartered Accountants
FIRM NO: 005917S

(H. V. GOWTHAMA)
Partner
Membership No. 014353

Place: Bangalore
Date : 15.06.2011