

5th Annual Report 1996-97

| | | | | |
|-----|---|--|-----|-----|
| MD | | | BKC | |
| CS | | | DPY | 665 |
| RO | | | DEV | 115 |
| TRA | | | AC | ✓ |
| AGM | ✓ | | SHI | ✓ |
| YE | ✓ | | | |



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KARNAVATI ALFA INTERNATIONAL LTD.



KARNAVATI ALFA INTERNATIONAL LIMITED

| | | | |
|---------------------------|---|---------------------------|---------------------------|
| Board of Directors | : | Shri Subhashbhai C. Mehta | <i>Chairman</i> |
| | | Shri Dipakbhai S. Mehta | <i>Managing Director</i> |
| | | Shri Pradipbhai S. Mehta | <i>Executive Director</i> |
| | | Shri Premjibhai P. Patel | <i>Executive Director</i> |
| | | Shri Kantibhai L. Patel | <i>Director</i> |
| | | Shri Laljibhai T. Patel | <i>Director</i> |
| | | Shri Dhirubhai V. Kotadia | <i>Director</i> |

Auditors : Falguni Rakesh Bhatt & Co.
Chartered Accountants
Ahmedabad.

Bankers : The Kalupur Commercial Co. Op. Bank Ltd.
Ahmedabad.

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State Bank of Travankore
Ahmedabad.

Registered Office : Vishal House,
Opp. Sales India,
B/h. Oriental Bank Of Commerce,
Ashram Road,
Ahmedabad - 380 009.

Factory : Survey No. 189/1-2,
Iyava, Vasna,
Sanand Viramgam Highway,
Dist. Ahmedabad.

KARNAVATI ALFA INTERNATIONAL LIMITED**NOTICE**

NOTICE is hereby given that the Fifth Annual General Meeting of the Company will be held on Tuesday, the 30th September, 1997 at 12.30 p.m. at the Registered Office of the company at Vishal House, Opp. Sales India, B\h. Oriental Bank of commerce, Ashram Road, Ahmedabad- 380 009, to transact the following business.

ORDINARY BUSINESS :-

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31st March, 1997 and the Profit & Loss Account for the Year ended on that date and the reports of the Directors and Auditors there to.
2. To appoint Director in place of Shri Kantibhai L. Patel who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Director in place of Shri Subhashbhai C. Mehta who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Director in place of Shri Laljibhai T. Patel who retires by rotation and being eligible, offers himself for re-appointment.

ORDINARY BUSINESS :-

5. To consider and if thought fit to pass with/without modification(s) following resolution as an Ordinary Resolution :

"RESOLVED THAT M/s. P. K. Modi & Co., Chartered Accountants, Ahmedabad, be and are hereby appointed as Auditors of the Company in place of M/s. Falguni Rakesh Bhatt & Co. and to hold office from the conclusion of this Annual General Meeting until the conclusion of next Annual General Meeting of the Company on a remuneration as may be decided by the Board of Directors of the Company.

SPECIAL BUSINESS :-

6. To consider and if thought fit to pass with/without modification(s) following resolution as an Special Resolution :

"RESOLVED THAT the Company's action in getting 42,63,300 Equity Shares of Rs.10/- each issued and allotted at par pursuant to the prospectus dated 21st January, 1994 listed in the Stock Exchange, Ahmedabad only irrespective of mention in the prospectus to list said Equity Shares in Delhi and Bombay Stock Exchange be and is hereby approved and confirmed.

On behalf of the Board of Directors

Place : Ahmedabad
Date : 2nd September, 1997

Subhashbhai C. Mehta
Chairman

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 OF COMPANY. THE PROXY IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING.
2. The Register of Members and Share Transfer Books of the Company shall remain closed from Monday the 15th September, 1997 to Monday the 22nd September, 1997 (both days inclusive).
3. Members are requested to intimate the change, if any, in their registered addresses.
4. Members are requested to bring their copies of the Annual Report to the Meeting.
5. Members intending to require information about accounts to be explained in the meeting are requested to inform the Company at its Registered Office, at least seven days in advance of the Annual General Meeting.

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EXPLANTORY STATEMENT U/S. 173 OF THE COMPANIES ACT, 1956.**IN RESPECT OF ITEM NO. 5 :**

The terms of the present Auditors M/s. Falguni Rakesh Bhatt & Co., Chartered Accountants expires at this Annual General meeting and they have expressed their unwillingness to be continued as Auditors of the Company. Pursuant to Section 224(6) of the Companies Act, 1956, the vacancy shall be filled by the Company in General Meeting. Hence this resolution is for your approval.

None of the Directors is interested or concerned in the said resolution.

IN RESPECT OF ITEM NO. 6 :

The members are aware that the Company had raised capital of Rs.4,26,33,000/- divided into 42,63,300 Equity Shares of Rs.10/- each at par pursuant to the prospectus dated 21st January, 1994. The said issue was fully subscribed and allotment was made on 5th May, 1994. The Company had obtained listing in the Ahmedabad and Bombay Stock Exchanges. The Company could not obtain listing of said equity shares in Delhi Stock Exchange. The Bombay Stock Exchange suspended trading of shares following the rejection of appeal by SEBI. The listing with Ahmedabad Stock Exchange is valid till today. The resolution is recommended to confirm and approve the Company's action in listing the equity shares on the Ahmedabad Stock Exchange only irrespective of the mention in the prospectus that equity shares will be listed in Delhi and Bombay Stock Exchange.

The Directors of the Company are interested in the resolution to the extent of their shareholding of the Company.

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On behalf of the Board of Directors

Place : Ahmedabad
Date : 2nd September, 1997

Subhashbhai C. Mehta
Chairman

KARNAVATI ALFA INTERNATIONAL LIMITED**DIRECTORS' REPORT**

To,
The Members.

The Directors have pleasure in presenting Fifth Annual Report together with the Audited Accounts for the year ended 31st March, 1997.

FINANCIAL RESULT

| | 1996-97 Rs. | 1995-96 Rs. |
|--|----------------|----------------|
| Sales | 3,75,75,382 | 3,25,19,411 |
| Net Profit before depreciation | 11,97,299 | 47,77,015 |
| Less:- Depreciation | 9,56,912 | 8,12,119 |
| Net Profit for the year | 2,34,491 | 44,34,609 |
| Provision for Income- Tax. | 34,000 | — |
| Balance of Profit transferred to Balance Sheet | 52,36,444 | 50,35,953 |

During the year 1996-97 there was no exports. Also due to heavy competition and change in Government policy for use of JUTE bags instead of HDPE bags by Cement and other similar Industries, the profit margin was effected. However the Company hopes to achieve better results during the 1997-98.

DIVIDEND

The Directors regret their inability to declare dividend due to inadequate profits.

DIRECTORATE

Shri Kantibhai L. Patel, Shri Subhashbhai C. Mehta and Shri Laljibhai T. Patel the Directors of the Company retires at the ensuing Annual General meeting and being eligible offer themselves for re-appointment. During the year Shri Maheshbhai B. Umarvadia resigned from the Directorship at his own accord.

INSURANCE

The Company's assets are adequately insured.

AUDITORS

The term of the present Statutory Auditors M/s. Falguni Rakesh Bhatt & Co. Chartered Accountants expires at the ensuing Annual General Meeting and they have expressed their unwillingness for re-appointment. The Board of Directors propose to appoint M/s. P. K. Modi & Co., Chartered Accountants as Auditors of the Company from the conclusion of this General Meeting upto the conclusion of next Annual General Meeting. The necessary resolution is incorporated in the notice of Annual General Meeting.

PUBLIC DEPOSITS

The Company has not accepted any deposits during the year under review, within the meaning of Section 58A of the Companies Act, 1956.

PARTICULARS OF EMPLOYEES

There were no employees drawing remuneration of Rs. 3,00,000 or more, employed throughout the year or Rs. 25,000 or more per month employed for a part of the year and hence particulars pursuant to Section 217(2A) of the Companies Act, 1956 is Nil.

5th ANNUAL REPORT 1996-97**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO.**

The information pursuant to section 217(1) (e) of the Companies Act., 1956 read with Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988 is given in the ANNEXURE TO DIRECTORS' REPORT.

APPRECIATION

The Directors record their appreciation to the Company's Shareholders, and Bankers for their support and look forward for their Co-Operation in the coming year to ensure a more prosperous future of the Company.

Your Directors wish to place on record their sincere appreciation for the efforts and spirit of dedication shown by the employees at all levels.

For and on behalf of the Board

Place : Ahmedabad
Date : 2nd September, 1997

Subhashbhai C. Mehta
Chairman

ANNEXURE TO DIRECTORS' REPORT

STATEMENT PURSUANT TO SECTION 217(1)(e) OF THE COMPANIES ACT, 1956 AND THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988 FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 1997.

A. CONSERVATION OF ENERGY

The Company endeavours to conserve energy wherever possible.

POWER AND FUEL CONSUMPTION

| | 1996-97 | 1995-96 |
|--|---------------|--------------|
| 1. Diesel | | |
| Purchased Units (Liters) | 36,000 | 34,365 |
| Total Cost | Rs. 3,24,876 | Rs. 2,91,846 |
| Rate per unit | Rs. 9.02 | Rs. 8.49 |
| Consumption (in units) per unit of production. | 0.08 | 0.13 |
| 2. Electricity | | |
| Purchased Units (Units) | 5,45,324 | 3,56,710 |
| Total Cost | Rs. 14,22,612 | Rs. 8,30,282 |
| Rate per unit | Rs. 2.61 | Rs. 2.32 |
| Consumption (in units) per unit of production. | 1.23 | 1.31 |

B. TECHNOLOGY ABSORPTION:

The Company does not use any imported technology in its manufacturing operation.

C. FOREIGN EXCHANGE EARNING AND OUTGO:

| | | |
|--|-----|-----|
| i. Total Foreign Exchange Used | Nil | Nil |
| ii. Total Foreign Exchange Earned (on F.O.B. Basis) | Nil | Nil |