

8th Annual Report 1999-2000



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Director/Managing Director
Authorised Signatory

KARNAVATI ALFA INTERNATIONAL LTD.

8th ANNUAL REPORT 1999-2000

KARNAVATI ALFA INTERNATIONAL LIMITED

BOARD OF DIRECTORS : **Shri Hemangbhai A. Shah** *Chairman & Managing Director*
Shri Kiritbhai P. Mehta *Director*
Shri Harshadbhai N. Mehta *Director*
Shri Premjibhai P. Patel *Executive Director*
Shri Kantibhai L. Patel *Director*
Shri Laljibhai T. Patel *Director*
Shri Dhirubhai V. Kotadia *Director*

AUDITORS : **P. K. Modi & Co.**
Chartered Accountants
 Ahmedabad.

BANKERS : **The Kalupur Commercial Co. Op. Bank Ltd.**
 Ahmedabad.
State Bank of Travancore
 Ahmedabad.
The Classic Co-Op. Bank Ltd.
 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 Virangam Highway,
 Dist. : Ahmedabad.

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KARNAVATI ALFA INTERNATIONAL LIMITED**DIRECTORS' REPORT**

TO,
THE MEMBERS,
KARNAVATI ALFA INTERNATIONAL LIMITED,

Your Directors have pleasure in presenting the Eight Annual Report together with the Audited Accounts of the Company for the Financial year ended on 31st March, 2000.

FINANCIAL HIGHLIGHTS:

	1999-2000	1998-99
SALES	19,10,56,090	4,69,05,502
NET PROFIT/(LOSS) BEFORE DEPRECIATION	(6,325)	(43,73,160)
ADD/(LESS) : DEPRECIATION	19,31,242	11,04,089
PROFIT/(LOSS) AFTER DEPRECIATION	(19,37,567)	(54,77,249)
PROVISION FOR TAXATION :	-	-
PROFIT/(LOSS) AFTER TAX	(19,37,567)	(54,77,249)
BALANCE OF PROFIT/(LOSS)		
TRANSFERRED TO BALANCE SHEET :	(81,46,691)	(62,09,124)

The Company suffered loss due to increment in cost of Production.

DIVIDEND :

The Director regret their inability to recommend dividend due to loss.

BOARD OF DIRECTORS

Shri Subhashbhai C. Mehta, Shri Deepakbhai S. Mehta, and Shri Pradipbhai S. Mehta resigned from the Directorship of the Company on their own accord.

The Board of Directors appointed Shri Hemang A. Shah, Shri Kiritbhai Mehta and Shri Harshadbhai Mehta as additional Directors on 05-10-99. The necessary resolutions for their appointment were incorporated in the notice.

Shri Hemang A. Shah was appointed as a Managing Director of the Company with effect from 10-10-1999 for a period of 5 years. Necessary resolution has been incorporated in the notice of the meeting, seeking member's approval for appointing and payment of remuneration to Shri Hemang A. Shah as a Managing Director of the Company.

Pursuant to the provisions of the Companies Act, 1956 and Articles of Association of the Company Shri Premjibhai P. Patel and Shri Kantibhai L. Patel, Directors of the Company, retire by rotation at the ensuing Annual General Meeting, and being eligible, offer themselves for re-appointment. Members are requested to consider their re-appointment as a Director of the Company.

INSURANCE

The Company's assets are adequately insured.

Y2K COMPLIANCE

Your Company achieved Y2K compliance status and had a smooth roll over to the year 2000.

STOCK EXCHANGE LISTING

Equity Shares of the Company are listed on Ahmedabad Stock exchange, The Stock Exchange - Mumbai. The Company has paid Annual Listing Fees to each of the above Stock Exchanges for the year 2000-2001.

AUDITORS

M/S. P. K. Modi & Co., Chartered Accountants, Auditors of the Company, retire at the ensuing Annual General Meeting and are eligible for re-appointment.

AUDITORS' REPORT

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Notes forming the part of Account referred to by the Auditors in their report are self explanatory and therefore do not call for any further comments.

PARTICULARS OF EMPLOYEES

There were no employees drawing remuneration of Rs. 6,00,000 or more employed throughout the year or Rs. 50,000 or more per month employed for a part of the year and hence particulars pursuant to Section 217(2A) of the Companies Act, 1956 are not given.

CONSERVATION OF ENERGY/TECHNOLOGY/ABSORPTION ETC.:

The information pursuant to Section 217 (1) (e) of the Companies Act read with the companies (Disclosures of Particulars in the Report of Board of Directors) Rules 1988 is given the annexure to Directors' report.

APPRECIATION

The Directors record their appreciation to the Company's Shareholders and Bankers for their support and look forward to their Co-operation in the coming years to ensure a 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 Board of Directors

Place : Ahmedabad
Date : 22nd August,2000

HEMANG A. SHAH
Chairman & Managing Director.

ANNEXURE TO DIRECTORS' REPORT

STATEMENT PURSUANT TO SECTION 217(1)(e) OF THE COMPANIES ACT, 1956 AND THAT COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988 FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED ON 31ST MARCH, 2000.

A. CONSERVATION OF ENERGY

The Company endeavours to conserve energy wherever possible.

POWER AND FUEL CONSUMPTION

	1999-2000	1998-99
1. Diesel		
Purchased Units (Litres)	1,10,045	87,600
Total Cost (Rupees)	14,68,852	9,54,344
Rate per Unit (Rupees)	13.35	10.89
Consumption (in Units) per unit of production	0.21	0.14
2. Electricity		
Purchased Units	5,24,252	5,74,356
Total Cost (Rupees)	23,51,416	19,88,922
Rate per Unit	4.49	3.46
Consumption (in Units) per unit of production	1.00	0.94

B. TECHNOLOGY ABSORPTION

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

C. FOREIGN EXCHANGE EARNING AND OUTGO

THE DETAILS OF FOREIGN EXCHANGE EARNING AND OUTGO IS AS :

	1999-2000	(Rs. in lacs) 1998-99
i) FOREIGN EXCHANGE EARNED	NIL	NIL
ii) FOREIGN EXCHANGE USED	22.24	24.68

For and on behalf of Board of Directors

Place : Ahmedabad
Date : 22nd August,2000

HEMANG A. SHAH
Chairman & Managing Director

KARNAVATI ALFA INTERNATIONAL LIMITED**AUDITORS' REPORT**

TO,
THE MEMBERS,
KARNAVATI ALFA INTERNATIONAL LIMITED

We have audited the attached Balance Sheet of KARNAVATI ALFA INTERNATIONAL LIMITED as at 31st March, 2000 and the Profit and Loss Account for the year ended on that date annexed thereto and report as under :

01. We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit.
02. In our opinion, proper books of accounts have been kept by the Company as required by the law, so far as appears from our examination of those books.
03. The Balance Sheet and the Profit and Loss Account are in agreement with the books of accounts.
04. In our opinion, the Balance Sheet and Profit and Loss Account dealt with by this report are in compliance with the *Accounting Standards referred to in section 211(3C) of the Companies Act, 1956*
05. In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with other notes annexed thereto 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 Balance Sheet, of the state of the affairs of the Company as at 31st March, 2000
and
 - b. in the case of the Profit and Loss Account, of the Loss for the year ended on that date.
06. As required by the Manufacturing and Other Companies (Auditor's Report) Order, 1988 issued by the Company Law Board and on the basis of such examination of the books and records of the Company as we considered appropriate and on the basis of the information and explanations given to us during the course of our audit, we further report that in our opinion :
 - i. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets. The fixed assets of the Company have been physically verified by the management at reasonable intervals and no material discrepancy has been noticed on such verifications.
 - ii. None of the fixed assets of the Company has been revalued during the year.
 - iii. The stocks of finished goods and raw materials have been physically verified by the Management. The frequency of verification is reasonable. Since the Company follows the practice of the charging to revenue, the items of stores and spare parts at the stage of purchase itself, stocks of such items are only taken at the end of the year.
 - iv. The procedure of physical verification of stocks followed by the management is reasonable and adequate in relation to the size of the Company and the nature of its business.
 - v. The discrepancies noticed on physical verification of stocks as compared to records were not material and have been properly dealt with in the books of account.
 - vi. The Valuation of Stocks is proper and in accordance with the normally accepted accounting principles and is on the same basis as in the preceding year.
 - vii. The Company has not taken any loan from Companies, firms or other Parties listed in the Register maintained u/s.301 of the Companies Act, 1956 or from the Companies under the same Management as defined under Sub-section(1B) of Section 370 of the Companies Act, 1956.
 - viii. The Company has not granted loans to Companies, firms or other parties listed in the register maintained u/s.301 of the Companies Act, 1956 or to Companies under the same Management as defined under Sub-section(1B) of Section 370 of the Companies Act, 1956.