

KEMICARE PRODUCTS LIMITED

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ANNUAL REPORT

1997-98



*Kemicare Products Limited***BOARD OF DIRECTORS**

Mr. K. C. Barasia
 Mr. Sohan Lal Kochar
 Mr. Anil Satnalika
 Mr. Naresh Chand Chandak
 Mr. Bibhuti Bhusan Das

COMPANY SECRETARY

J. C. Bhattacharya
REGISTERED OFFICE
 294/2/1 A. P. C. Road
 Calcutta - 700 009.
 Phone No. 351 - 0785/4717

AUDITORS

S. K. Agrawal & Associates

BANKERS

State Bank of India
 Punjab & Sind Bank
 Sikkim Bank Ltd.

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REGISTRARS & SHARE TRANSEFER AGENT M/s Star Infotech Pvt. Ltd. 8, Raja Guru Das Street Calcutta - 700 006 Phone: 530 - 9905		CONTENTS	PAGE NO.
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Kemicare Products Limited

NOTICE

TO
THE SHARE HOLDERS OF
KEMICARE PRODUCTS LTD.

NOTICE is hereby given that the 6th Annual General Meeting of KEMICARE PRODUCTS LIMITED will be held at the Registered office of the Company, at 294/2/1, A. P.C. Road, Calcutta-700 009 on Friday, 25th Sept., 98 at 11 A.M. to transact the following business :

ORDINARY BUSINESS

1. To receive, consider and adopt the Profit & Loss Account for the financial year ended 31st March, 1998 and the Balance sheet as at that date together with the Report of the Directors and the Auditors thereon.
2. To Confirm the appointment of Shri Bibhuti Bhusan Das who was appointed as a Director of the Company by the Board at its meeting held on 3rd Oct.'97.
3. To appoint Director in place of Sri K.C.Barasia who retires by rotation.
4. To appoint Director in place of Sri Anil Satnalika who retires by rotation.
5. To appoint Auditor who will hold Office from the date of this AGM till the conclusion of Next Annual General Meeting .

SPECIAL BUSINESS

1. To Consider and approve the proposal of Voluntary De-listing of securities on the Ahmedabad Stock Exchange and pass the following resolution, if deemed fit:
"RESOLVED that the proposal to request Ahmedabad Stock Exchange for Voluntary De-listing, be and is hereby approved."

(Explanatory Statement as required u/s 173 of the Companies Act, 1956 is appended below)

By Order of the Board of Directors

Dated: 4th Aug' 98

(J. C.BHATTACHARYA)

Explanatory Statement u/s 173 of the Companies Act'56

As per requirement, the Company is required to be enlisted for dealing in securities (E-Shares) with Regional stock Exchange and any other Stock Exchange of the Country. The Company has arrangement with the Regional Stock Exchange (Calcutta) and two others - namely Mumbai & Ahmedabad Stock Exchanges.

Within the jurisdiction of Ahmedabad Stock Exchange as per existing list of share-holders with Registrar, there are 30 Shareholders subscribing to 13800 Shares, out of which only 14 Share-holders holding share of 5500 are fully paid.

The Board of directors on economic ground recommends Voluntary delisting of Securities (Shares) from Ahmedabad Stock exchange for which approval from the Share-holders is being solicited. The proposal, if approved by General Body of Share-holders, the Board of directors shall comply with the SEBI guideline for voluntary De-listing.

No Director of the Company is interested or concerned in the above mentioned proposal.

NOTES

- A. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and a proxy need not be a member of the Company, Proxy Form will be received at its Registered Office 294/ 2/1, A.P.C. Road, Calcutta-700 009 not less than 48 hours before the meeting.
- B. The record Date for Register of Members of the Company will be on Friday 25th Sept'98.
- C. Share holders desiring any information as regards the Accounts are requested to write to the Company at least 14 days before the meeting date so as to enable Management to keep the information ready.

Kemicare Products Limited**DIRECTORS' REPORT**

To

The Members,

Kemicare Products Limited

The Director, have pleasure in presenting their 6th Annual Report and Audited Statement of Accounts of the Company for the year ended 31st March, 1998.

FINANCIAL RESULTS

The Financial results for the year and those of the previous year are summarised below:-

	<u>For the year ended 31-03-98</u>	<u>For the year ended 31-03-97</u>
Gross Profit/(Loss)	616274	6,25,598
Less : Provision for Depreciation	884792	10,27,039
Profit before Tax	(268518)	(4,01,441)
Less : Provision for Tax	—	—
Net Profit /(Loss)	(268518)	(4,01,441)

DIVIDEND :

In view of loss incurred by the Company, your Directors do not recommend any dividend for the year.

OPERATIONS :

In the 5th Directors Report it was disclosed that the Company's Factory was closed over 6 months and the problem of overcoming the difficulties of such closure of Factory could not be met during the period. As a result, the business of the Company during the year also suffered seriously. Further more, there are servere competition faced by the Company. Efforts are being made to increase the sale by launching new product like small packing of Coconut Oil. On present reckoning, the out look for current year appears to be also difficult. However, there is an endeavour to sustain growth and directors hope that there will be an improvement of the Company's performance during the current financial year.

DEPOSITS

The Company did not receive any fixed deposit from Public any time and hence the Company is not required to submit any details on the subject.

NOTES ON ACCOUNT :

The Directors are of the view that the notes to the accounts are adequate and self explanatory in response to Auditors' Report.

DIRECTORS :

During the period under review that the present Directors who excluding Mr. Bibhuti Bhusan Das were inducted in the Board in 1996-97 & continued to act as Directors during

Kemicare Products Limited

the year under review. During the year Mr. Bibhuti Bhusan DAs has been inducted in the Board of Directors as Director. In pursuance of Sec 256 of Companies Act '56 Sri K. C. Barasia & Sri Anil Satnalika will be retiring from the Board and being eligible, seek their re-appointment.

AUDITORS :

M/s. S. K. Agrawal & Associates, Chartered Accountants who retire at the conclusion of the forth coming Annual General Meeting and have expressed their willingness to be re-appointed which is within the limits prescribed u/s 224 (1/B) of the companies Act, 1956. The Directors recommend their re-appointment.

The Directors further inform that there are no employee drawing over prescribed salary for which disclosure is to be made u/s 217 (2A) of the Companies Act, 1956 read with Companies Rule.

The Directors further inform that u/s 217 (1) (e) of the Companies Act, 1956 read with Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988 and forming part of the Directors' Report for the financial year ended 31st March, 1998 the total electricity was bought from CESC Ltd. for Rs. 1,21,550/-.

As regards Research & Development the Company constantly pursuing the measure to improve the quality of the materials such as by appointing technical qualified persons. Efforts are being made also, in technology absorption, as per form 'B' of the annex of the Rules.

The Directors are informing also that the Company neither earn nor spent foreign exchange during the year ended 31st March, 1998.

ACKNOWLEDGEMENT :

The Board wishes to place on record its appreciation for co-operation and support received from employees. The Board also thanks the Company's Business Associates, bankers, Dealers, Suppliers for their continued commitment and support.

ON BEHALF OF THE BOARD OF DIRECTORS

Calcutta
Dated : 3rd August, 1998

Sd/- K. C. BARASIA
Director

Kemicare Products Limited

AUDITORS' REPORT

**To
THE MEMBER OF M/S KEMICARE PRODUCTS LIMITED**

We have audited the annexed Balance Sheet of M/s KEMICARE PRODUCTS LIMITED as at 31st March, 1998 and also the annexed profit & loss account for the year ended on that date and report that:

- 1) As required by the Manufacturing and other Companies (Auditors' Report) Order, 1998 issued by the Company Law Board in terms of section 227(4A) of the companies Act, 1956, we enclose in the annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.

Further to our comments in the annexure referred to in paragraph 1 above.

- a) 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.
- b) In our opinion proper books of accounts as required by law have been kept by the company so far as appears from our examinations of the books.
- c) The Balance sheet and profit & loss account dealt with by the report are in agreement with the books of accounts.
- d) In our opinion and to the best of our informations and according to the explanations given to us the Accounts (together with the Schedules annexed thereto) give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view,
 - i) In the case of the Balance Sheet, of the state of affairs of the company as at 31st March, 1998 and
 - ii) In the case of profit & loss account, of the loss for the year ended on that date.

For S. K. AGRAWAL & ASSOCIATES

Sd/-
(PROPRIETOR)
CHARTERED ACCOUNTANTS
P-45, Khairu Place,
Calcutta-700 020, Dated : 30th day of July, 1998

Kemicare Products Limited

ANNEXURE TO THE AUDITORS' REPORT (Referred to in paragraph 1 thereof)

As required by the manufacturing and other companies (Auditors' Report) order, 1988 issued by the Company Law Board in terms of section 227 (4A) of the Companies Act, 1956 on the basis of such checks as we considered appropriate, we report that :

- 1) The company is maintaining proper records to show full particulars, including quantitative details and situation of fixed assets. All the assets have not been physically verified by the management during the year but there is a regular programme of verification which in our opinion is reasonable having regard to the size of the company and the nature of the assets. On the basis of explanations given to us, no serious discrepancies have been noticed on verification.
2. None of the fixed assets has been revalued during the year.
- 3 i) The stocks of finished goods, raw and packing materials has been physically verified by the management during the year at reasonable intervals. The discrepancies noticed on such verification between the physical stocks and the book records were not material.
- ii) The procedures of physical verification of stock followed by the management are, in our opinion, reasonable and adequate in relation to the size of the company and nature of its business.
- iii) In our opinion, the valuation of stocks is fair and proper in accordance with the normally accepted accounting principles and is on the same basis in the preceeding year.
4. The company has repaid unsecured loans taken from companies, firms or other parties listed in the registrar maintained under section 301 of the companies Act, 1956, or to companies under the same management as defined under section 370 (1B) of the Companies Act, 1956.
5. The company has not granted any loans, secured or unsecured, to companies, firms or other parties listed in the register maintained under section 301 of the companies Act, 1956 or to companies under the same management as defined under section 370 (1B) Of the companies Act, 1956. As explained to us there is no company under the same management as defiend u/s. 370 (1B) of the compnies Act, 1956.
6. In respect of loans given by the company to its employees, repayment is being made as stipulated.
7. In our opinion and according to the information and explanations given to us, the company has adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchase of stores, raw-materials including components, plant and machinery, equipment and other assets and for the sale of goods.

Kemicare Products Limited

**ANNEXURE TO THE AUDITORS' REPORT
(Referred to in paragraph 1 thereof)**

- 8) In our opinion according to the explanations given to us, the transactions of purchase of goods and materials and sale of goods, materials and services made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the companies Act, 1956 and aggregating during the year to Rs. 50, 000 or more in respect of each party have been made at prices which are reasonable having regard to the prevailing market prices for such goods, materials and services or the prices at which transactions for similar goods, materials or services have been made with other parties.
- 9) As explained to us, unserviceable or damaged store and raw- materials are determined by the company. Adequate provision has made in the accounts for the loss arising on the items so determined.
- 10) The company has not accepted any deposits from the public.
- 11) In our opinion, reasonable records have been maintained for the sale and disposal of scrap. The Company has no by-products.
- 12) In our opinion, the company has an internal audit system commensurate with the size and nature of its business.
- 13) The Central Government has not prescribed maintenance of cost records under section 209(1) (d) of the Companies Act, 1956 for the products of the company.
- 14) The company has regularly deposited Employees' State Insurance dues with the appropriate authorities during the year.
- 15) According to the books and records examined by us and the information and explanations given to us subject to notes on Schedule 20, item no. (X) there were no undisputed amounts payable in respect of Income tax, Wealth tax, sale tax, customs duty and excise duty which have been remained outstanding as on 31st March, 1998 for a period exceeding six months from the date they became payable.
- 16) According to the informations and explanations given to us and the records of the company examined by us, on personal expenses have charged to revenue account other than those payable under contractual obligations or in accordance with generally accepted business practice.
- 17) The company is not a sick industrial company within the meaning of clause (o) of Section 3 (1) of the Sick Industrial Companies (Special Provision) Act, 1985.
- 18) Damaged goods in the case of goods purchase by the company for resale have been properly dealt with in the books of account.

For S. K. AGRAWAL & ASSOCIATES

Sd/-
(PROPRIETOR)
CHARTERED ACCOUNTANTS
P-45, Khairu Place,
Calcutta-700 020, Dated : 30th day of July, 1998