



6th Annual Report
1998-99

KENGOLD (INDIA) LIMITED

BOARD OF DIRECTORS

SHRI A. A. ANDANI	Chairman & Managing Director
SMT. K. A. ANDANI	Director
SHRI R. A. JAMAL	Director
SHRI S. R. SHAH	Whole Time Director
SHRI B. M. PATEL	Whole Time Director

REGD. OFFICE

2ND FLOOR, AATMARAM CHAMBER,
NR. NARANPURA RAILWAY CROSSING,
NARANPURA,
AHMEDABAD - 380 013.

PROJECT SITE

PLOT NO. 287 & 288
CHARODI VILLAGE,
OPP.CHARODI RLY.STATION,
TALUKA : SANAND,
DIST : AHMEDABAD.
GUJARAT (INDIA)

AUDITORS

DINESH R. THAKKAR & CO.
CHARTERED ACCOUNTANTS
1/A, MAYUR APPT. BASEMENT,
2, MOTINAGAR, NR. MAHALAXMI CHAR RASTA,
PALDI, AHMEDABAD-380 007.

BANKERS

INDIAN BANK

DIRECTORS' REPORT**KENGOLD (INDIA) LIMITED**

TO
THE MEMBERS,
KENGOLD (INDIA) LIMITED

Your Directors have pleasure in presenting the 6th Annual Report together with the Audited Accounts of your Company for the Year ended 31st March, 1999.

1. FINANCIAL RESULTS :

(Amt. Rs. in Lacs)

SR.NO.	PARTICULARS	1998-99	1997-98
1.	Sales & Other Incomes	222.98	159.04
2.	Profit (Loss) Before Taxation	(89.20)	(73.04)
3.	Provision for Taxation	NIL	NIL
4.	Profit (Loss) After Taxation	(89.20)	(73.04)
5.	Prior period Adjustments (Net)	Nil	22.96
6.	Loss on investment	Nil	(3.28)
7.	Brought Forward Profit (Loss)	(82.09)	(28.73)
8.	Balance Carried to Balance Sheet	(171.30)	(82.09)

2. THE PROJECT AND PERFORMANCE:

Despite of recession in the industrial sector throughout the year, your company has made a sales growth of around 40% during the current year. However due to the poor monsoon and late rains in the Saurashtra Region a prime source of raw materials of quality and heavy interest and finance charges the profitability of the company was adversely affected.

In view of the loss incurred by your Company during the year under review your directors does not recommend dividend for the year 1998-99.

3. PERSONNEL :

Since there is no employee in the Company drawing monthly Salary of Rs. 50,000/- or more, the provisions of Section 217 (2-A) of the Companies Act, 1956 are not applicable.

4. MATTER REQUIRED TO BE REPORTED AS PER COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF THE BOARD OF DIRECTORS) RULES, 1988.**A. CONSERVATION OF ENERGY**

Continious efforts are put in to consume energy at all levels.

B. TECHNOLOGY ABSORPTION.

The Company is carrying R. & D. on its products. The Company is making efforts to improve its technology resulting in to cost reduction and product development. The Company has not imported any technology during the year under review.

C. FOREIGN EXCHANGE EARNING AND OUTGO :- Nil

KENGOLD (INDIA) LIMITED

5. DIRECTORS :

Mr. R. A. Jamal being longest in the office as director shall retire from office by rotation at the forthcoming Annual General Meeting and he is eligible to offer himself for reappointment.

Mr. S. R. Shah, Mr. A. A. Andani and Mr. B. M. Patel have been appointed as additional directors w.e.f. 17-10-98, 01-01-99 and 01-01-99 respectively and Mr. S. R. Shah and Mr. B. M. Patel have been appointed as whole time director w.e.f. 01-02-99 for a period of five years and Mr. A. A. Andani has been appointed as the Chairman and Managing Director w.e.f. 01-02-99 for a period of five years.

The Managing Director Mr. D. B. Patel has resigned from the board w.e.f. from 27-10-98. Mr. M. H. Alarakhia and Mr. H. D. Dedhia has resigned as director w.e.f. 01-03-99.

6 AUDITORS :

M/S. Dinesh R. Thakkar & Co., Chartered Accountants, Ahmedabad, the Auditors of the Company retires at the conclusion of the forthcoming Annual General Meeting and being eligible offers themselves for reappointment.

7 Y2K COMPLIANCE :

Your company has made preparations to enable its systems to operate normally.

8 APPRECIATION :

The directors wish to place on record continued support of IDBI and Banks. The Directors further acknowledge the support received by the Company from its suppliers of goods and services, shareholders and employees and other agencies associated with the company.

PLACE : AHMEDABAD

FOR AND ON BEHALF OF THE BOARD.

DATE : 11-11-1999

A. A. ANDANI
(CHAIRMAN)

KENGOLD (INDIA) LIMITED

AUDITORS' REPORT

To
THE MEMBERS OF
KENGOLD (INDIA) LIMITED

We have audited the attached Balance Sheet of KENGOLD (INDIA) LIMITED as at 31st March, 1999 annexed there to and report that:

- (1) As required by the Manufacturing and Other Companies (Auditor's Report) Order, 1988 issued by the Company Law Board under Section 227 (4-A) of the Companies Act, 1956 and on the basis of such records as we considered appropriate and according to the information and explanation given to us during the course of our audit, We enclose a statement on the matters specified in paragraphs 4 and 5 of the said order.
- (2) Further to our comments in the annexure referred to in paragraph (1) above:
 - (a) 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.
 - (b) 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 such Books of Accounts.
 - (c) The said Balance Sheet and Profit & Loss Account dealt with by this report are in agreement with the Books of Accounts.
 - (d) In our opinion, the Profit and Loss Account and the Balance Sheet comply with the accounting standards referred to in Section 211(3C) of the Companies Act, 1956 to the extent applicable except Gratuity, Leave encashment, which are accounted on cash basis.
 - (e) In our opinion and to the best of our information and according to the explanations given to us, the said balance sheet and the Profit & loss Account read together with the notes thereon particularly Note No. 6 regarding Non Receipt of balance confirmation in respect of advances recoverable in cash or kind and of amounts due from/to sundry debtors/sundry creditors and Note No. 2 regarding non provision of doubtful advances amounting Rs. 30.77 lacs gives 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, 1999
 - ii) In the case of Profit & Loss Account of the Loss of the Company for the year ended on that date.

PLACE : AHMEDABAD.

FOR DINESH R. THAKKAR & CO.
Chartered Accountants

DATE : 11-11-1999.

(Dinesh R. Thakkar)
Proprietor

ANNEXURE TO THE AUDITORS' REPORT

1. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets. The management has carried out a physical verification of the major items of its assets and as explained to us that no major discrepancies have been noticed on such verification. In our opinion the frequency of verification is reasonable.
2. None of the fixed assets has been revalued during the year.
3. The stock of raw materials and finished goods have been physically verified during the year by the management. In our opinion the frequencies of verification is reasonable.
4. The procedure of physical verification of stock 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 verification between physical stocks and book records are not material.
6. On the basis of our examinations of stock records, we are of the opinion that the valuation of the stock is fair and proper in accordance with the normally accepted accounting principles and is on the same basis as in the preceding year.
7. The Company has not taken any loans secured or unsecured from firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956, and from the Companies under the same management as defined under Section 370 (1-B) of the Companies Act, 1956. However the company has taken unsecured loans from the company listed in the register maintained u/s 301 of the Companies Act, 1956. The terms and conditions for the same are not prima facie prejudicial to the interest of the company.
8. The Company has granted unsecured loans to the Company, as listed in the register maintained under Section 301 of the Companies Act, 1956. The terms and condition of such loans in our opinion, are prima facie, prejudicial to the interest of the Company. No secured or unsecured loans have been granted to the firms or other parties as listed in the register maintained under Section 301 of the Companies Act, 1956, and no secured or unsecured loans granted to the Companies under the same management within the meaning of Section 370 (1-B) of the Companies Act, 1956.
9. The parties to whom loans or advances in the nature of loans have been given by the Company are generally repaying the principle amounts and interest as stipulated except for certain cases as informed to us that where such payments are not received, reasonable steps have been taken for recovery of the same.
10. In our opinion and according to the information and explanations given to us, there are adequate internal control procedure commensurate with the size of the Company and the nature of its business with regards to purchase of raw materials, stores and other assets and with regards to the sales of goods.