

MD	<input checked="" type="checkbox"/>	BKC	<input checked="" type="checkbox"/>
CS	NA	DPY	NA
RO	<input checked="" type="checkbox"/>	DIV	<input checked="" type="checkbox"/>
TRA	NA	EC	<input checked="" type="checkbox"/>
AGM	<input checked="" type="checkbox"/>	SHI	<input checked="" type="checkbox"/>
YE	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>

48th

ANNUAL REPORT

**DIRECTORS' REPORT AND AUDITED STATEMENT OF
ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 1998**

Report  junction.com

THE KUTCH SALT & ALLIED INDUSTRIES LIMITED



THE KUTCH SALT & ALLIED INDUSTRIES LIMITED

BOARD OF DIRECTORS : DR. SHANTILAL K. SOMAIYA
SHRI KALYANRAY P. OZA
SHRI TARACHAND V. SHAH
SHRI RAMESH S. IYER
SHRI PRABHULAL M. KAPADIA

AUDITORS : Messers AMBALAL THAKKAR & CO.
Chartered Accountants

BANKERS : BANK OF INDIA, MUMBAI

SOLICITORS : Messers HARIANI & COMPANY, MUMBAI

WORKS : KANDLA & JAKHAU

REGISTERED OFFICE : 48, Prospect Chambers Annexe,
5th floor,
317, Dr. Dadabhoy Naoroji Road,
Fort, Mumbai - 400 001.

THE KUTCH SALT & ALLIED INDUSTRIES LIMITED

NOTICE TO MEMBERS

NOTICE is hereby given that the Forty-Eighth Annual General Meeting of the members of the KUTCH SALT & ALLIED INDUSTRIES LIMITED, will be held on Thursday the 31st December, 1998 at 4.00 p. m. at the Registered Office of the Company, at 48, Prospect Chambers Annexe, 5th floor, 317, Dr. Dadabhoy Naoroji Road, Mumbai - 400 001 to transact the following business :

ORDINARY BUSINESS :

1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 1998 and the Profit and Loss Account for the year ended on that date and the Reports of the Directors and Auditors thereon.
2. To declare a dividend for the year ended 31st March, 1998.
3. To appoint a Director in place of Shri T. V. Shah who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Shri R. S. Iyer who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint Auditors to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to authorise the Board of Directors to fix their remuneration.

SPECIAL BUSINESS :

6. To consider and if thought fit, to pass, with or without modification(s), the following Resolution as an Ordinary Resolution :

"RESOLVED THAT Shri Prabhulal M. Kapadia, be and is hereby appointed as Director of the Company."

Registered Office :
48, Prospect Chambers Annexe,
317, Dr. D. N. Road,
Mumbai - 400 001.

By the Order of the Board of Directors

K. P. OZA
Director

Mumbai,
Dated : 30th November, 1998.

- NOTES : 1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER. AN INSTRUMENT OF PROXY, IN ORDER TO BE EFFECTIVE, MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
2. Members are requested to bring their copy of Annual Report at the meeting.
 3. The relevant explanatory statement pursuant to Section 173(2) of the Companies Act, 1956, in respect of Resolution under item No. 6 is annexed herewith and forms part of this Notice.
 4. The register of Members and Share Transfer Books of the Company will be closed on 31st December, 1998.
 5. The dividend on equity shares, if declared at the meeting will be payable to those shareholders whose names stand on the Register of Members of the Company on 31st December, 1998.
 6. Members are requested to Notify immediately any change in their address to the Company.

ANNUAL REPORT 1997-98

Explanatory Statement Pursuant to Section 173 (2) of the Companies Act, 1956 and forming part of the Notice.

ITEM NO. 6 -

The Board of Directors of the Company had appointed Shri Prabhulal M. Kapadia as an Additional Director of the Company on 15th May, 1998. Shri Prabhulal M. Kapadia will hold office as such only upto the date of the Forty-Eighth Annual General Meeting of the Company. The Company has received notice in writing from a shareholder under Section 257 of the Companies Act, 1956, signifying his intention to propose the name of Shri Prabhulal M. Kapadia as a candidate for the office of the Director.

Shri Prabhulal M. Kapadia is a Consultant by profession. The Directors consider that his services will be useful to the Company and therefore, recommend his re-appointment as a Director of the Company.

The Board recommends the Resolution No. 6 for approval of the Shareholders.

Except Shri Prabhulal M. Kapadia, no other Director is concerned or interested in this Resolution.

By the Order of the Board of Directors

K. P. OZA
Director

Mumbai,
Dated : 30th November, 1998.

Report  junction.com

THE KUTCH SALT & ALLIED INDUSTRIES LIMITED

DIRECTORS' REPORT

To the Members,

Your Directors have pleasure in presenting their Forty-eighth Annual Report alongwith Audited Statement of Accounts for the year ended 31st March, 1998.

FINANCIAL RESULTS :

	1997-98	1996-97
	Rs.	Rs.
Profit before Depreciation	40,02,559	38,36,259
Less : Depreciation	7,90,061	3,78,377
Profit before Tax	32,12,498	34,57,882
Less : Provision for taxation	13,50,000	15,05,000
Profit after Tax	18,62,498	19,52,882
Add : Profit brought forward from previous year	20,06,692	10,53,810
Add : Development Rebate Reserve written back	4,85,351	-
Amount available for appropriations	43,54,541	30,06,692
Less : 1) Proposed Dividend	2,50,000	2,50,000
2) Transferred to General Reserve	-	7,25,000
3) Corporate Dividend Tax	25,000	25,000
Balance carried to Balance Sheet	40,79,541	20,06,692

OPERATIONS :

Production of Salt during the year under review was 1,45,887 M.T. against 1,59,528 M.T. of previous year at Kandla. Production activities were interrupted due to intermittent rains during the month of October, 97. Shortage of labour was experienced through out the season. Production at Jakhau decreased to 37,598 M.T. during the year against 45,372 M.T. of previous year.

Total Sales increased by 17% to Rs. 380.89 lacs during the year under review as compared to Rs. 325.33 lacs during the previous year mainly due to increase in despatches to 1,33,054 M.T. during the year as against 1,02,177 M.T. of the previous year.

DIVIDEND :

Your Directors have recommended a dividend of Re. 1.00 per Share with a view to conserve resources for operation of the Company. The proposed dividend amounting to Rs. 2.50 lacs on being approved by the Share holders, will be met out of the provisions made thereof in the accounts.

UNPARALLELED CYCLONIC DAMAGE :

The financial results of the Company during the year under report were quite satisfactory but your Directors wish to bring to your notice this Century's one of the greatest tragedies that took place in Gujarat. It occurred after the Balance Sheet date and has adversely affected the financial position of Company. There was an unparalleled Cyclonic Storm with high tidal waves which lashed the coastal areas of Kutch and Saurashtra on 9th June, 1998. The fury of the giant waves and the high velocity winds caused heavy losses of human lives and properties in the coastal areas. As a result, several Salt Works in Kutch and Saurashtra region suffered heavy damages. The damage inflicted upon Kandla is the highest. Our Kandla Salt Works was the worst affected. With deep regret, we wish to refer to the loss of human lives in our Kandla Salt Works due to this nature's fury. Stock of salt and other items lying in the Salt Works on 9th June, 1998 have been completely washed away, the entire structures and installations and office of the Works as well as most of the records including accounts have been destroyed/washed away. The housing colony

ANNUAL REPORT 1997-98

and workers quarters have been razed to the ground.

However, at our Jakhau Salt Works the stocks of salt and earthwork including sagarpara and condensers were partially damaged, as the cyclone passing through Jakhau had by that time weakened. The structures and installations and office of the Works at Jakhau have remained intact.

The Company have approached the Central Government including Salt Department as well as State Government for the relief and assistance for rehabilitation of Salt Works at Kandla and Jakhau.

RECONSTRUCTION AND MODERNISATION PROGRAMME OF OUR KANDLA AND JAKHAU SALT WORKS :

Your Company has taken this catastrophe as "challenge" and an opportunity to rebuild all "Infrastructure" anew and on modern and sound lines. The operations and layout of our Salt Works till now on were traditional lines. They are now being so redesigned and constructed as to match the capacity and technical parameters of the modern Salt Works elsewhere. For implementing the modernisation and reconstruction programme we have engaged the services of Mr. M. H. Jadhav, well-known Solar Salt Expert and of M/s. V. M. S. Consulting Engineers, renowned Structural, Industrial Planning & Design Firm, as Consultants.

RENEWAL OF LEASE AGREEMENTS OF KANDLA AND JAKHAU WORKS :

As reported in last Annual report, the matter pertaining to Lease agreement of Kandla Works and Jakhau Works is pending for renewal with Central and State Government respectively. The Company is making efforts in this direction for early renewal.

ENERGY CONSERVATION, TECHNOLOGY**ABSORPTION AND FOREIGN EXCHANGE :**

The particulars prescribed by the Companies (Disclosure of particulars in the report of Board of Directors) Rules, 1988 are furnished in the Annexure to this report.

AUDITORS' REPORT :

As regards the observation in the Auditors' Report at para No. 2 and 3, the Directors wish to state that the same have been adequately dealt within this report as well as in the notes on accounts.

PERSONNEL :

There were no employees employed during the year or part thereof drawing remuneration as mentioned in Section 217 (2) of the Companies Act, 1956.

Industrial Relations continued to be cordial and harmonious during the entire year. The Directors wish to place on record their appreciation of the valuable services rendered by the Workmen, Staff and Officers at all levels.

DIRECTORS :

Shri T. V. Shah and Shri R. S. Iyer, Directors of the Company retire by rotation and being eligible offer themselves for re-election.

AUDITORS :

You are requested to appoint auditors for the current year and fix their remuneration. M/s. Ambalal Thakkar & Co., Chartered Accountants, retire and are eligible for re-appointment.

CONDOLENCES :

Your Directors wish to express deep sorrow on the sad and unexpected human losses occurred at Kandla Salt Works during the cyclonic storm.

ACKNOWLEDGMENT :

Your Directors would like to place on record their sincere appreciation for the continuous support and cooperation extended by Salt Department, our banker Bank of India and employees at all levels to the Company in the conduct of its operations.

For and on behalf of the Board of Directors,

S. K. SOMAIYA
CHAIRMAN

MUMBAI, Dated : 30th November, 1998