

## **CLARO INDIA LIMITED**



**17TH ANNUAL REPORT  
2001 – 2002**

# BOARD OF DIRECTORS

SRI A.K. KOTHARI – CHAIRMAN

SRI BHARAT MOHTA

SRI B.L. DAMANI

SRI B.G. LAHOTY – EXECUTIVE DIRECTOR

# AUDITORS

MESSRS. SRIKANTH & SHANTHI ASSOCIATES  
CHARTERED ACCOUNTANTS  
CHENNAI

# BANKERS

BHARAT OVERSEAS BANK LTD.  
CHENNAI

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# REGISTERED OFFICE

B-7 SIPCOT INDUSTRIAL COMPLEX  
GUMMIDIPOONDI – 601 201  
TAMIL NADU

# ADMINISTRATIVE OFFICE

VI FLOOR  
110 NELSON MANICKAM ROAD  
AMINJIKARAI  
CHENNAI – 600 029

## CLARO INDIA LIMITED

Registered Office: B 7 SIPCOT INDUSTRIAL COMPLEX GUMMIDIPOONDI - 601 201

### NOTICE CONVENING THE 17TH ANNUAL GENERAL MEETING

Notice is hereby given that the Seventeenth Annual General Meeting of the Shareholders of the Company shall be held on Monday, the 30th day of September 2002 at the Registered Office of the Company at 11.00 a.m to transact the following business.

#### AS ORDINARY BUSINESS :

- 1 To consider, approve and adopt the Audited Balance Sheet of the Company as at 31st March 2002 and the Profit and Loss Account of the Company for the year ended that date together with the report of the Directors and Auditors thereon.
- 2 To appoint a director in the place of Mr B.L. Damani, who retires by rotation and being eligible offers himself for re-election.
3. To appoint Auditors and fix their remuneration.

#### AS SPECIAL BUSINESS:

1. Resolved that increase in remuneration sanctioned by the Board for Shri B.G. Lahoty be and is hereby approved pursuant to Section 198, 269, 302, 309 and any other applicable provisions of the Companies Act 1956 read with Schedule XIII of the said act as stated out in the explanatory statement annexed herewith.

Resolved further that pursuant to Section 269 and any other applicable provision read with Schedule XIII of the Companies Act, 1956, the Company hereby approves and accords its consent to the reappointment of Shri Brij Gopal Lahoty as a whole time Director designated as an Executive Director of the Company, not liable to retire by rotation, for a period of five years with effect from 1st April 2002 on the terms and conditions set out in the Explanatory Statement attached to this Notice.

By the order of the Board  
for CLARO INDIA LIMITED

PLACE : Chennai  
DATE : 06.09.2002

B. L. Damani  
Director

#### 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 the proxy need not be a member. The proxy form duly stamped and executed should be deposited at the Administrative Office of the Company at VI Floor, 110, Nelson Manickam Road, Aminjikarai, Chennai-600 029 atleast forty-eight hours before the time for the commencement of the Meeting.
2. The Register of Members and Share Transfer Register of the Company will remain closed from 23rd Day of September 2002 to Monday, 30th day of September 2002 (Both days are inclusive).
3. Members are requested to communicate their change of address, if any quoting the respective folios.
4. The Members are requested to fill the enclosed attendance slip and deposit the same at the entrance of the Meeting hall.
5. Since the Company has not declared any dividend so far the question of remittance of unpaid dividend to Investor Protection and Education Fund does not arise.

**EXPLANATORY STATEMENT UNDER SECTION 173 (2) OF THE COMPANIES ACT 1956**

Mr. Brij Gopal Lahoty was appointed as Wholetime Director designated as an Executive Director for the period upto 31st March 2002 and was sanctioned a remuneration of Rs.32,000/- per month by the approval of last Annual General Meeting. In consideration of the valuable services being rendered by Mr Lahoty to the Company, the Board has revised his remuneration with effect from 1.4.2001 and also in its meeting held on 30th January, 2002 has reappointed him as 'Whole time Director designated as an Executive Director of the Company, for a period of five years with effect from 1st April 2002, on the terms and conditions mentioned here in below :

**1. SALARY :**

Rs. 35,000/- per month subject to such periodical increment as may be decided by the Board from time to time.

**2. PERQUISITES**

Perquisites in Category "A" shall be restricted to Rs 1,00,000/- only per annum.

**3. CATEGORY "A"**

a. He will be paid a lump sum of Rs.6,000/- as Bonus.

b. Medical Reimbursement and Leave travel Concession : He will get reimbursement of Medical Expenses and Leave Travel Concession for himself and for his family subject to 10% of the Salary in accordance with the Rules framed by the Company.

**c. Leave :**

He will get leave in accordance with the Rules of the Company.

**d. Club fees :**

He will be reimbursed fees of clubs subject to a maximum of two clubs. This will not include admission fees and/or life membership fees.

**e. Personal Accident Insurance :**

Premium not exceeding Rs.1,000/- per annum.

**4. CATEGORY "B"**

a. Contribution to Provident Fund will not included in computation of ceiling on perquisites to the extent it is not taxable under the Income Tax Act 1961.

b. Gratuity payable shall not exceed half a month's salary for each completed year of service subject to ceiling as prescribed in law.

**5. CATEGORY "C"**

Provision of car for use of Company's business and telephone at residence will not considered as perquisites. Personal long distance calls on telephone and use of car for private purpose shall be billed by the company to whole-time Director designated as Executive Director.

6. In the event of loss or inadequacy of profit in any year, Sri. Brij Gopal Lahoty will get the same remuneration as minimum remuneration in any such year.

7. The Wholetime Director designated as Executive Director so long as he functions as such shall not be paid any sitting fees for attending meetings of the Board of Directors or Committee thereof.

Sri Brij Gopal Lahoty may be deemed to be interested in the aforesaid resolution and did not participated in the discussion.

The Chairman further informed the Board that pursuant to Section 302 of the Companies Act, 1956 and other applicable provisions if any, an Abstract of the terms and conditions of Appointment of a Wholetime Director shall be sent to the Shareholders in this connection.

Your Directors recommend this resolution to be passed.

**DIRECTORS REPORT**

Your Directors have pleasure in presenting the 17th Annual Report together with the Audited Statement of Accounts of the Company for the year ended 31 st March, 2002.

**FINANCIAL RESULTS**

The Company has made a total sales of Rs. 130.92 lacs during the year ended 31.03.2002 as against Rs 183.74 lacs for the year 2000-01. The Company has suffered Net Loss of Rs.131.14 lacs after writing off depreciation of Rs.28.61 lacs as against the Net Loss of Rs. 110.99 lacs during the previous year as per details given below:

	(Rupees in Lacs)	
	2001-2002	2000-2001
Sales	130.92	183.74
Gross Profit/(Loss) before depreciation and preliminary expenses written off	(94.29)	(74.14)
ADD/(LESS):		
Depreciation	28.61	28.61
Preliminary Expenses	8.24	8.24
Net Profit/(Loss)	(131.14)	(110.99)

**DIVIDEND**

Owing to inadequacy of profits, the Directors do not recommend any dividend.

**OPERATIONS**

The Capacity utilisation of Formaldehyde Plant could not be increased during the year under review because of demand recession in user Industries. This has also resulted in severe under - cutting of prices by the Competitors.

Paraformaldehyde prices remained unremunerative throughout the year because of cheaper imports and this has restricted the scope for improvement in capacity utilisation in respect thereof.

**FUTURE PLANS**

Seeing the difficult demand scenario in respect of existing products the management is looking for opportunity to introduce other related product which has good demand in the market. Every effort is also being made to revive the working by reducing cost wherever possible as well as by increasing the existing operational efficiency of the plant.

**FIXED DEPOSITS**

The Company has not accepted/renewed any Fixed Deposits during the year. As on the date of the report, the Company has no Fixed Deposits.

**DIRECTORATE**

Sri. B. L. Damani retires by rotation and being eligible offers himself for re-appointment.

#### **DIRECTORS' RESPONSIBILITY**

Pursuant to Section 217 (2AA) of the Companies (Amendment) Act, 2001 the Directors' confirm that:

1. in the preparation of the annual accounts, the applicable accounting standards have been followed;
2. appropriate accounting policies have been selected and applied consistently, and judgements and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as at 31st March, 2002 and of the loss of the company for that period;
3. proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
4. the annual accounts have been prepared on a going concern basis.

#### **AUDITORS**

M/s. Srikanth & Shanthi Associates., Chartered Accountants, Chennai, auditors of the company retire at the conclusion of the annual general Meeting and are eligible to be reappointed. A certificate pursuant to Section 224 (1-B) of the Companies Act 1956 has been obtained from them.

#### **NOTES ON ACCOUNTS**

The Auditors observation and the relevant Notes on Accounts are self-explanatory and therefore do not call for any further comments.

#### **INFORMATION PURSUANT TO SECTION 217 OF THE COMPANIES ACT.1956**

Information in accordance with clause(e) of sub-section 217 of the Companies Act,1956, read with the 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, 2002 is given below:

The Company is taking continuous steps in evolving energy conservation by analyzing consumption data of various process equipments. Continuous efforts are being made to improve the energy utilization.

We are upgrading the technology employed by making continuous interactions with the technicians of the Company.

In terms of sub-section (2A) of Section 217 of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975, the Company has no employee drawing more than Rs.24,00,000/- Per annum or Rs.2,00,000/- per month during the year under review.

#### **ACKNOWLEDGEMENT**

The Board wishes to place on record their gratitude for the co-operation and assistance received from the Government of Tamil Nadu and its agencies such as SIPCOT, TNEB, Tamil Nadu Pollution Control Board etc., Banks, Shareholders, and Customers and thank them for their continued support.

The relationship between the management and the employees of the Company was very cordial and your Directors wish to place on record their appreciation of the sincere services rendered by the employees.

On behalf of the Board of Directors  
for CLARO INDIA LIMITED

PLACE : KOLKATA  
DATE : 06.09.2002

A.K. KOTHARI  
Chairman