



CLARO INDIA LIMITED

B -7, SIPCOT INDUSTRIAL COMPLEX, GUMMIDIPOONDI-601 201.



**25th Annual Report
2009-2010**

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BOARD OF DIRECTORS

SRI. A.K. KOTHARI - DIRECTOR
SRI. R.L.BIYANI - DIRECTOR
SRI. N. MAHADEVAN - DIRECTOR

AUDITORS

MESSRS. SRIKANTH & SHANTHI ASSOCIATES,
CHARTERED ACCOUNTANTS,
CHENNAI - 600 018.

BANKERS

IDBI BANK LTD, Chennai.
AXIS BANK, Chennai.
INDIAN OVERSEAS BANK LTD, Chennai.

REGISTERED OFFICE

B-7, SIPCOT INDUSTRIAL COMPLEX,
GUMMIDIPOONDI - 601 201,
TAMILNADU.

REGISTRAR AND SHARE TRANSFER AGENT

GNSA INFOTECH PRIVATE LIMITED
NEW NO. 11, SRINIVASA ROAD,
PONDY BAZAR, T. NAGAR,
CHENNAI - 600 017.

ADMINISTRATIVE OFFICE

VI FLOOR,
37 NELSON MANICKAM ROAD,
AMINJIKARAI,
CHENNAI - 600 029.

CLARO INDIA LIMITED

Registered Office: B -7, Sipcot Industrial Complex, Gummidipoondi:-601 201.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the Twenty Fifth Annual General Meeting of the shareholders of Claro India Limited will be held on Saturday, the 25th September 2010, at 11.00 A.M., at the Registered Office of the Company at B-7, Sipcot Industrial Complex, Gummidipoondi – 601 201, to transact the following business.

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31st March 2010, the Profit and Loss Account for the financial year ended as on that date and the reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in the place of Mr. N. Mahadevan, who retires by rotation and, being eligible, offer himself for re-appointment.
3. To appoint the Auditors and to fix their remuneration and in this regard to consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution :

“RESOLVED THAT Messrs. Srikanth & Shanthi Associates, Chartered Accountants, bearing Firm Registration No.004006S Chennai, be and are hereby appointed as Auditors of the Company to hold office from the conclusion of the 25th Annual General Meeting until the conclusion of the 26th Annual General Meeting on remuneration of Rs.38,000/- (Rupees Thirty Eight Thousand only inclusive of out of pocket expenses.”

On behalf of the Board
For Claro India Ltd

Place : Chennai
Date : 13.08.2010.

Sd/-
R.L.BIYANI
Director

NOTES:

- **A member entitled to attend and vote at the Annual General Meeting (the meeting) is entitled to appoint a proxy to attend and vote instead of him/her self and the proxy need not be a member of the company. The instrument appointing a proxy should be deposited at the registered office of the company not less than 48 hours before the commencement of the meeting.**
- The register of members and the share transfer books of the Company will remain closed from Saturday, the 18th day of September, 2010 till Saturday, the 25th day of September, 2010 for the purpose of Annual General Meeting of the Company.
- Members desirous of having information as regards accounts are requested to write to the Company at least seven days in advance so as to enable the Management to keep the information ready.

- Members may please note that no gifts shall be distributed at the meeting.
- Any change in address may be intimated to the Company / Share Transfer Agent by quoting the Folio Number(s).
- Members are requested to address all correspondences to the Registrar and Share Transfer Agent, viz. GNSA Infotech Private Limited. G R Mansion, Srinivasa Road, Pondy Bazaar, T.Nagar, Chennai - 600 017.
- Members are advised that the copies of the Annual Report will not be distributed at the venue of the Annual General Meeting and hence they are advised to bring their copies of the Annual Report, which are mailed by the Company to them at their registered address.

ADDITIONAL INFORMATION AS PER CLASUE 49 OF THE LISTING AGREEMENT

Brief Resume of Directors recommended for appointment / reappointment at the Annual General Meeting are given below :

MR. N. MAHADEVAN

Shri. N. Mahadevan a graduate in Marketing Management has experience of more than 48 years in Marketing Industry.

Details of other Directorships / Committee Memberships held by him are given under : NIL

No. of shares - NIL

On behalf of the Board
For Claro India Ltd

Place : Chennai
Date : 13.08.2010.

Sd/-
R.L.BIYANI
Director

DIRECTORS' REPORT

Your Directors have pleasure in presenting their Twenty Fifth Annual Report together with the audited accounts for the financial year ended March 2010.

FINANCIAL HIGHLIGHTS

Particulars	2009-10 (Rs. in Lakhs)	2008-2009 (Rs. in Lakhs)
Turnover	806.18	703.58
Gross Profit / (Loss)	83.08	(169.08)
ADD / LESS : Depreciation	37.27	36.98
Net Profit / (Loss)	45.81	(132.10)
Accumulated Losses Brought forward	(1156.63)	(1024.52)
Accumulated Losses Carried forward	(1110.82)	(1156.63)

BUSINESS OPERATIONS

The Company's turn over increased in the year by nearly 15% and together with the cost control in procurement and operation, resulted in better performance in achieving a net profit of about Rs.46 lacs for the year.

There was continuous Power Shortage / Shut Downs during the year and the Turn Over / Performance would have been better but for the same.

Concentration was given to specified product groups with better margins like Paraformaldehyde Powder for Exports and specialized Resin grades to specific end use applications and customers

The Company has been re-awarded with ISO 9001 : 2008 Certification by M/s. TUV Nord, approving our Quality Systems, which will also improve the Company's image with our special customers and better performance could be expected in the coming years.

Trading activities continued in the year, contributing to better turn over.

Research & Development efforts are being constantly made to develop new products and reduce the cost of inputs to face the competition better. The company has provided additional storage facilities for finished products and raw materials and is constantly improving the infrastructural development. The company effectively utilized the appointed Consignee Selling Agents at strategic locations to face the competition better form the local suppliers with VAT advantages.

With various efforts being made and thrusts given, the Directors hope to sustain and improve the performance of the Company in the coming years, barring unforeseen circumstances.

DIVIDEND

Even though the Company had made profits during the year, due to the accumulated losses of the company, your Directors are unable to recommend any dividend for this year.

LISTING OF SECURITIES

The Company's Equity shares are presently listed with Bombay Stock Exchange Limited and Madras Stock Exchange Limited.

SCHEME OF AMALGAMATION

During the Financial year 2009-2010, the Board of Director of Claro India Limited at their meeting held on 8th January,

2010 had approved the scheme of amalgamation of the Company with Kothari Phytochemicals and Industries Limited. The Company has made an application with Bombay Stock Exchange Limited (BSE) and Madras Stock Exchange Limited (MSE) for no objection to the said scheme and the approval for the same is awaited from the said exchanges.

DIRECTORS

In accordance with the provisions of the Companies Act, 1956 and Article 130 and 131 of the Articles of Association of the Company, Mr. N. Mahadevan, Director retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment.

Mr. A.K. Daga, Director resigned from the Board with effect from 29th April, 2009. The Board places on record its appreciation for the valuable services rendered and contribution made by Mr. A.K. Daga During his tenure as a Director.

Details of Directors seeking re-appointment are provided in the Corporate Governance Report forming part of this Report, as required under Clause 49 of the Listing Agreement with the Stock Exchanges.

AUDITORS

M/s. Srikanth & Shanthi Associates, Chartered Accountants, Chennai, the Company's statutory auditors, retire at the conclusion of the Annual General Meeting and are eligible for reappointment.

The Board, on the recommendation of Audit Committee, has proposed that M/s. Srikanth & Shanthi Associates, Chartered Accountants, Chennai bearing Registration No.004006S be re-appointed as the Statutory Auditors of the Company and to hold office till the conclusion of the next Annual General Meeting of the Company. M/s. Srikanth & Shanthi Associates, Chartered Accountants have forwarded a Certificate to the Company, stating that their re-appointment if made, will be within the limit specified in that behalf in Sub-section (1B) of Section 224 of the Companies Act, 1956.

The financial statements have been audited by M/s. Srikanth & Shanthi Associates, Chartered Accountants, the Statutory Auditors and their report is appended thereto.

PUBLIC DEPOSITS

The Company has not accepted any deposits from the public.

CORPORATE GOVERNANCE

Pursuant to Clause 49 of the listing agreement, a Management Discussion & Analysis Report, Corporate Governance Report and a Certificate from CS R. Sridharan, M/s. R. Sridharan & Associates, Company Secretaries, Chennai regarding compliance of the conditions of Corporate Governance are made a part of the Annual Report

DIRECTOR'S RESPONSIBILITY STATEMENT

Pursuant to Section 217 (2AA) of the Companies Act, 1956, the Directors confirm that, to the best of their knowledge and belief.

1. In the preparation of the Profit & Loss Account for the financial year ended March 31, 2010 and the Balance sheet as at that date ("financial statement"), applicable accounting standards have been followed;
2. Appropriate accounting policies have been selected and applied consistently and such judgments and estimates that are reasonable and prudent have been made so as to give a true and fair view of the state of affairs of the company as at the end of the financial year and of the (PROFIT) 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. To ensure this, the company has established internal control systems, consistent with its size and nature of operations. These systems are reviewed and updated on an ongoing basis. Periodic internal audits are conducted to provide reasonable assurance of compliance with these systems. The Audit committee meets at regular intervals to review the internal audit function.

4. The financial statements have been prepared on a going concern basis.

SECRETARIAL COMPLIANCE CERTIFICATE

Pursuant to Section 383A of the Companies Act, 1956 read with the Companies (Compliance Certificate) Rules 2001 certificate issued by CS. R. Sridharan, M/s. R. Sridharan & Associates, Company Secretaries, is attached hereto.

PARTICULARS OF EMPLOYEES

Under the provisions of Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees Rules, 1975) as amended, there were no employees in the company drawing more than the limits as per Section 217(2A) of the Companies Act, 1956 during the financial year ended 31st March 2010.

INDUSTRIAL RELATIONS

The company maintained all its industrial relations cordially. The company has a very good team of personnel. The company has always been focused on the improvement of the quality of its human capital, good training and development programmes to achieve this.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO.

The Particulars required under Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 is annexed separately as Annexure, A which forms part of this report.

HEALTH, SAFETY AND ENVIRONMENT PROTECTION

The Company has substantially complied the applicable Environmental Laws and Labour Laws. It has expended substantial resources, both financial and managerial, in complying with the relevant laws and has taken all reasonable measures to protect the environment, to ensure safety and healthy of the workers.

GENERAL

Your Director places on record their appreciation for the continued cooperation, support and assistance extended to the company by the Government of Tamil Nadu and its agencies viz., SIPCOT, TNEB, Tamil Nadu Pollution Control Board etc., the shareholders, Bankers, financial Institutions and Customers.

Your Directors also place on record their appreciation for the continued and dedicated performance and commitment by officers, staff of the Company.

On behalf of the Board

Place : Chennai
Date : 13.08.2010.

Sd/-	Sd/-
R.L.BIYANI	N. MAHADEVAN
Director	Director

ANNEXURE A

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO.

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.

Energy conservation measures are implemented and constantly monitored for reduction of energy consumption. Form A as per Rule 2 of Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 is as follows :-

POWER AND FUEL CONSUMPTION

1. ELECTRICITY CONSUMED :

S. No.	Particulars	2009-2010	2008-2009
(a)	Purchased		
	Normal Units (KWH)	2,11,826	2,36,098
	Peak Hr Units (KWH)	31,150	49,086
	Amount paid for units consumed (in Rs.)	11,96,470	1,42,7158
	Normal Rate per Unit (Average)	3.50	3.5
	Peak hr Rate per Unit (Average)	0.7	0.7
	Demand Charges (Amount in Rs.)	3,92,712	4,76,973
	Electricity Tax (Amount in Rs.)	49,268	56,475
	Meter Rent (Amount in Rs.)	24,000	24,000

2. DIESEL :

S. No.	Particulars	2009-2010	2008-2009
(a)	Quantity (K.Ltrs)	1983	721
	Total Amount (in Rs.)	70,162	26,324
	Average Rate (in Rs.)	35.38	36.51

3. FIRE WOOD :

S. No.	Particulars	2009-2010	2008-2009
(a)	Quantity (M.Tons)	28,260	-
	Total Amount (in Rs.)	67824	-
	Average Rate (in Rs.)	2400	-

4. FURNANCE OIL:

S. No.	Particulars	2009-2010	2008-2009
(a)	Quantity (M.Tons)	73,447	51733
	Total Amount (in Rs.)	1,79,3874	1,422,554
	Average Rate (in Rs.)	24.42	27.49

5. THERMIAL NOSS

S. No.	Particulars	2009-2010	2008-2009
(a)	Quantity (M.Tons)	416	416
	Total Amount (in Rs.)	43,542	41,960
	Average Rate (in Rs.)	10,467	10,080

COMPLIANCE CERTIFICATE

Name of the Company : CLARO INDIA LIMITED
Registration No. (CIN No.) : L93090TN1994PLC027571
Authorized Capital : Rs. 10,00,00,000/-
Paid-up Capital : Rs. 4,50,00,000/-

To

The Members of

MESSRS. CLARO INDIA LIMITED

B-7, SIPCOT INDUSTRIAL COMPLEX,

GUMMIDIPOONDI,

CHENNAI - 601 201.

We have examined the registers, records, books and papers of MESSRS. CLARO INDIA LIMITED (the Company) as required to be maintained under the Companies Act, 1956, (the Act) and the rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31st March 2010. In our opinion and to the best of our information and according to the examinations carried out by us and explanations furnished to us by the Company, its officers and agents, we certify that in respect of the aforesaid financial year.

1. The Company has kept and maintained all registers as stated in ANNEXURE 'A' to this certificate, as per the provisions of the Act and the rules made there under and all entries therein have been recorded.
2. The Company has filed the forms and returns as stated in ANNEXURE 'B' to this certificate, with the Registrar of Companies, Regional Director, Central Government, Company Law Board or other authorities prescribed under the Act and the rules made there under.
3. The Company is a Public limited Company and has the minimum prescribed paid up capital. The Company is a listed company and the shares are listed with Bombay Stock Exchange Limited (BSE) and Madras Stock Exchange Limited (MSE).
4. The Board of Directors met SEVEN (7) times on 30th April 2009, 30th May, 2009, 30th June, 2009, 31st July 2009, 30th October 2009, 8th January, 2010 and 30th January 2010 in respect of which meetings notices were given and proceedings were recorded and signed in the Minutes Book maintained for the purpose.
5. The Company closed its Register of Members from 23rd September, 2009 to 26th September, 2009 (both days inclusive) and necessary compliance of Section 154 of the Act has been made.
6. The Twenty Fourth Annual General Meeting for the financial year ended 31st March, 2009 was held on 26th September, 2009 after giving notice to the members of the Company and the resolutions passed thereat were recorded in the Minutes Book maintained for the purpose.
7. No Extra-Ordinary General Meeting was held during the financial year.
8. The Company has not advanced any loans or given any guarantees or provided any securities to its directors or persons or firms or Companies referred under Section 295 of the Act.
9. The Company has not entered into any contract falling within the purview of Section 297 of the Act.
10. During the financial year, the Company has not entered into any contracts falling within the purview of Sections 297 and 299 of the Act. However, the transactions entered into with companies listed in the register maintained under Section 301(3) of the Act have been entered in the register maintained under Section 301 of the Act.

11. As there were no instances falling within the purview of Section 314 of the Act, the Company has not obtained any approvals from the Board of directors, Members or Central Government.
12. The Company has not issued any duplicate share certificates during the financial year.
13. The Company :
 - (i) has delivered all the certificates on lodgment thereof for transfer and transmission of securities in accordance with the provisions of the Act during the financial year.
 - (ii) has not effected any allotment of Securities during the financial year .
 - (iii) has not deposited any amount in a separate Bank Account as no dividend was declared for the financial year.
 - (iv) was not required to post warrants to any member of the Company as no dividend was declared during the financial year.
 - (v) has not declared any dividend, issued any shares or debentures and has not accepted any deposits hence, the question of transfer of dividend to unpaid dividend account, application money due for refund, matured debentures, deposits and the interest accrued thereon which have remained unclaimed or unpaid for a period of seven years to Investor Education and Protection Fund does not arise.
 - (vi) has complied with the provisions of Section 217 of the Act.
14. The Board of Directors of the Company is constituted. Mr. A.K.Daga resigned as Director of the Company with effect from 29th May, 2009. There was no appointment of director or alternate director or director to fill casual vacancy during the financial year.
15. The Company has not appointed any Managing Director / Whole-time Director / Manager during the financial year.
16. The Company has not appointed any sole selling agents during the financial year.
17. (a) The Company was not required to obtain any approvals of the Central Government, Company Law Board, Regional Director, Registrar and / or such authorities prescribed under the various provisions of the Act during the financial year.
(b) The Company had made an application to Bombay Stock Exchange Limited (BSE) and Madras Stock Exchange Limited (MSE) for No Objection to the Scheme of Amalgamation of M/s.Claro India limited with M/s.Kothari Phytochemicals and Industries Limited and the approval for the same is awaited from the said exchanges.
18. The directors have disclosed their interest in other firms / Companies to the Board of Directors pursuant to the provisions of the Act and the rules made there under.
19. The Company has not issued any shares, debentures or other securities during the financial year.
20. The Company has not bought back any shares during the financial year and hence the question of complying with the buy back provisions does not arise.
21. The Company has not issued preference shares or debentures and hence, the question of redemption of preference shares / debentures during the financial year under review does not arise.
22. There were no transactions necessitating the Company to keep in abeyance the rights to dividend, rights shares and bonus shares pending registration of transfer of shares.
23. The Company has not invited / accepted any deposits including any unsecured loans falling within the purview of Section 58A during the financial year.
24. The Company has not borrowed any funds from banks and others during the financial year.
25. The Company has not made any investments or made any loans or advances or given guarantees or provided securities to other bodies corporate and consequently no entries have been made in the register kept for the purpose.