

Annual Report 1997-98



The Thapar Group

MD	☒		CEO	☒
CS	☒		DPY	☒
RO	☒		BY	☒
TRA	☒		AC	☒
AGM	☒		SHR	☒
YE	☒			☒

Y. Ch.



eicl

English Indian Clays Ltd.





ENGLISH INDIAN CLAYS LIMITED

REGD. OFFICE : KP/III/428, VELI, THIRUVANANTHAPURAM, KERALA - 695 021

NOTICE



The Thapar Group

The Thirty Fourth Annual General Meeting of the Company will be held on 25th July, 1998 at 10.00 a.m. at the Registered Office at KP-III/428, Veli, Thiruvananthapuram, Kerala-695 021 to transact the following business :-

ORDINARY BUSINESS

1. To consider and adopt the audited Balance Sheet as at 31st March, 1998, the Profit and Loss Account for the period ended on that date and Directors' Report and Auditors' Report thereon.
2. To declare a dividend.
3. To appoint a Director in place of Mr. S.N.Dua who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. S.Padmakumar who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint Auditors and to fix their remuneration.

M/s Price Waterhouse, Chartered Accountants, the present auditors of the Company, retire and are eligible for re-appointment.

SPECIAL BUSINESS

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

"RESOLVED that pursuant to the provisions of section 269 & 317 read with schedule XIII of the Companies Act, 1956 and subject to such other approvals and/or permissions as may be necessary, consent of the Company be and is hereby given to the reappointment of Shri Karan Thapar as the Managing Director of the Company for a period of 5 years w.e.f. 1st April'98 on the terms & conditions mentioned hereunder. The remuneration payable shall be subject to overall ceiling of 5% of net profits of the Company as calculated under sections 349 and 350 read with section 198 of the Companies Act, 1956 :

1. Salary : Rs.2,00,000/- p.m. (Rs. Two lac only) (inclusive dearness and all other allowances)
2. Perquisites : Perquisites and allowances in the form of Housing, Furnishing, Gas, Electricity, Water, Medical Reimbursement, Leave Travel Concession, Club Fees, Personal Accident Insurance and in any other form not exceeding Rs.12,00,000/- p.a.
3. Commission : The commission at such rate on net profit calculated U/S 349 & 350 read with section 198 of the Companies Act, 1956, as not to exceed the total remuneration, the overall ceiling of 5% on net profit calculated U/S 349 & 350 of the Companies Act, 1956.

"RESOLVED further that notwithstanding the aforesaid ceiling of 5%, in case of absence or inadequacy of profits in any financial year during the tenure of the Managing Director Shri Karan Thapar, the remuneration drawn by Shri Karan Thapar shall be considered the minimum remuneration subject to the limits specified in Section II of Part II of schedule XIII of the Companies Act, 1956".

7. To consider, and if thought fit, to pass, with or without modification, the following resolution as an Ordinary Resolution.

"RESOLVED that the consent of the Company be and is hereby accorded in terms of section 293(1) (a) and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification(s) or reenactment thereof, for the time being in force), to the Board of Directors of the Company to mortgage and/or to create first charge on all or any of the immoveable/moveable properties save and except book debts and subject to the charges created in favour of banks, of the Company in favour of Standard Chartered Bank (SCB) to secure Foreign Currency Loan, situated at Veli, Thiruvananthapuram both present and future, of the whole or substantially the whole of the said undertaking of the Company in such form and in such manner as the Board may think fit together with power to take over the management of the business and concern of the said undertaking in certain events, for securing the followings:

- (i) Foreign Currency Loan of US\$ 1 Million equivalent to Rs.400 lacs from Standard Chartered Bank (SCB).
- (ii) All interests, compound/additional interest, commitment charges, costs, charges, expenses, and all other monies payable by the Company to the SCB.

"RESOLVED FURTHER that the Board of Directors be and is hereby authorised to finalise with SCB the documents in relation to or for creating the mortgage and/or charges as aforesaid and to do all such acts, deeds and things including execution of any documents as may be necessary or expedient for giving effect to this resolution".

"RESOLVED FURTHER that the aforesaid charges shall be pari-passu to the mortgage/charges created/to be created in favour of other financial institution(s) in respect of other financial assistance obtained ".

NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER. THE PROXY FORM MUST BE LODGED AT THE REGISTERED OFFICE OF THE COMPANY ATLEAST 48 HOURS BEFORE THE TIME OF MEETING.
2. THE SHARE TRANSFER BOOKS AND REGISTER OF MEMBERS OF THE COMPANY SHALL REMAIN CLOSED ON 25TH JULY, 1998. THE DIVIDEND ON EQUITY SHARES, IF DECLARED, WILL BE PAID TO THOSE MEMBERS WHOSE NAMES APPEAR IN THE REGISTER OF MEMBERS AS ON 25TH JULY, 1998.
3. AS PER COMPANIES UNPAID DIVIDEND (TRANSFER TO GENERAL REVENUE ACCOUNT OF THE CENTRAL GOVERNMENT) RULES, 1978, MEMBERS ARE HEREBY INFORMED THAT ANY UNPAID DIVIDEND DECLARED IN RESPECT OF THE YEAR ENDED UPTO 31ST MARCH, 1994 HAVE BEEN TRANSFERRED TO THE GENERAL REVENUE ACCOUNT OF THE CENTRAL GOVERNMENT.

BY ORDER OF THE BOARD

for **ENGLISH INDIAN CLAYS LTD.**

Place: New Delhi

Date : 12th June, 1998

(K.N.RISHIKESH)

COMPANY SECRETARY

EXPLANATORY STATEMENT

(PURSUANT TO SECTION 173 OF THE COMPANIES ACT, 1956)

ITEM NO.6

The Directors in their meeting held on 24th March, 1998 was reappointed Mr. Karan Thapar as Managing Director of the Company for a period of 5 years w.e.f. 1st April, 1998 to 31st March, 2003 u/s 269 read with Schedule XIII of the Companies Act, 1956 on the terms and conditions mentioned in the proposed resolution.

His appointment as Managing Director of the Company is recommended for your approval u/s 269 read with Schedule XIII of the Companies Act, 1956.

No other Director except Shri Karan Thapar and Shri B.M. Thapar is in any way concerned or interested in the resolution.

ITEM NO.7

The Company had been sanctioned US\$ 1 Million Foreign Currency Loan equivalent to about Rs.400 lacs from M/s Standard Chartered Bank (SCB) against "FCNR'B' Scheme" for its normal capital expenditure and other fund requirement. This foreign currency loan would be secured by creating first charge on the immoveable/ moveable properties save and except book debts and subject to the charges created in favour of banks, of the Company. This charge would be pari-passu to the mortgage/charge(s) created/to be created in favour of the financial institutions.

Hence the resolution is recommended for your approval u/s 293 (1)(a) of the Companies Act, 1956.

BY ORDER OF THE BOARD

for **ENGLISH INDIAN CLAYS LTD.**

Place: New Delhi

Date : 12th June, 1998

(K.N.RISHIKESH)

COMPANY SECRETARY

PROXY

I/We
ofbeing a
member of **ENGLISH INDIAN CLAYS LIMITED** holding
hereby appoint
of
or failing him/her
of
as my/our proxy to vote for me/us and on my/our behalf at theThirty Fourth Annual General Meeting of the Company to be held on Saturday, the 25th July, 1998 , at 10.00 a.m. at the Registered Office of the Company, at K.P. III/428, Veli, Thiruvananthapuram-695021 and at any adjournment thereof.
As witness my/our hand/s this
day of
Signed by the said 1998
In the presence of

Revenue
Stamp
30 Ps.





English Indian Clays Limited

CHAIRMAN-CUM
MANAGING DIRECTOR

:

MR. KARAN THAPAR

DIRECTORS

:

MR. B. M. THAPAR

MR. S. N. DUA

MR. M. L. KHEMKA

MR. S. K. TOSHNIWAL

MR. S. PADMAKUMAR

MR. R. K. BATRA, (ICICI Nominee)

AUDITORS

:

M/s. PRICE WATERHOUSE
CHARTERED ACCOUNTANTS
MADRAS

BANKERS

:

ORIENTAL BANK OF COMMERCE

REGISTERED OFFICE

:

KPIII/428, VELI,
THIRUVANANTHAPURAM - 695 021

CORPORATE OFFICE

:

B-6/9, COMMERCIAL CENTRE,
SAFDARJUNG ENCLAVE,
NEW DELHI - 110 029.

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ENGLISH INDIAN CLAYS LIMITED

DIRECTORS' REPORT

FOR THE PERIOD ENDED 31st MARCH, 1998

To

The Members:

Your Directors have pleasure in presenting their report together with the Annual Accounts of the Company for the period ended 31st March, 1998.

(Rs. in Crore)

Accounts	31st March 1998 (9 months)	30th June 1997 (15 months)
Gross operating Profit earned for the period (before interest and depreciation)	31-03-98 8.72	30-06-97 13.38
Less : Interest	3.92	7.66
Less : Depreciation	1.80	2.91
Net Profit	3.00	2.81
To which is added:		
Balance brought forward from the previous year	0.15	0.27
Investment Allowance Reserve written back	--	0.14
From which is deducted:		
Provision for Taxation	1.00	1.27
Leaving a balance of	2.15	1.95
Which your Directors recommend be appropriated as under :		
Dividend at 25%	0.96	0.96
Tax on Dividend	0.10	0.10
Transfer to General Reserve	0.25	0.17
Debenture Redemption Reserve	0.57	0.57
Carried forward to next year's account	0.27	0.15

ACCOUNTING YEAR

- ✓ The financial year 1997-98 of the company, consists of 9 months, as on 31st March, 1998 as compared to the financial year 1996-97 of the Company which was closed on 30th June, 1997 consisting of 15 months. Hence the previous period figures are not strictly comparable with the current period's figure.

ENGLISH INDIAN CLAYS LIMITED

DIVIDEND

Your Directors are pleased to recommend the dividend @ 25% on the Equity Share capital of Rs.3,82,09,000/- amounting to Rs.95,52,250.

OPERATIONS**(a) Clay (Kaolin) processing :**

Despite adverse market condition your company performed very well. The production and sales increased by 19% and 21.66% respectively from the previous period on a comparable basis. For the 9 months period to 31st March, 1998 production stood at 59114 MT and sales at 59231 MT. Sales value showed a pro-rata increase of 31% at Rs.2702.16 lacs as against Rs.3426.19 lacs for the previous 15 months period.

(b) Leasing

In view of the adverse money market conditions, the Company did not enter into any fresh lease arrangement. The company did not receive the due lease rentals from the existing lessee companies. In view of the uncertainties involved with regards to collection of lease rentals, it has been decided to account for lease income in the year of receipt only to reflect the true and fair state of affairs of the company. The company is vigorously following the dues.

(c) Export

The company could make a break through in exports as reflected in the increased export of Rs.96.33 lacs during the current period as against Rs.4.94 lacs in the previous period.

SUBSIDIARY COMPANY

The period under review, M/s Bharat Projects (Pvt.) Ltd. (BPPL) became the subsidiary of your Company w.e.f. 9th March, 1998. The annual reports of BPPL is annexed with the accounts of your company.

LISTING

The shares of the company are listed on the Stock Exchanges; (i) Cochin Stock Exchange Ltd., Exchange House, 38/1431, Kaloor Road Extn., Ernakulam, Cochin, (ii) Madras Stock Exchange Ltd., 'Exchange Building', Post Box No. 183, 11, Second Line Beach, Madras, (iii) The Stock Exchange Mumbai, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai and (iv) The Delhi Stock Exchange Association Ltd., I.G. Stadium, Indraprastha Estate, New Delhi.

RESEARCH & DEVELOPMENT

The Research and Development activities carried on by the Company have resulted in the development of new value added products for different applications particularly for paper and paint industry. The Company has undertaken laboratory scale preparation of ceramic grade clay. The Research and Development Centre established by the Company enjoys the recognition of the Department of Science and Technology.

FIXED DEPOSITS

There is no unclaimed/overdue fixed deposits as at 31st March, 1998.