SANSCO SERVICES - Annual Reports Library Services - www.sansco.net

The Thapar Group

Annual Report 1999-2000

Report Junction.com

eicl

English Indian Clays Ltd.

www.reportjunction.com

SANSCO SERVICES - Annual Reports Library Services - www.sansco.net

eicl

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 DR. A.K.BHATTACHARYA (ICICI Nominee) MR. VIJAY RAI
AUDITORS	:	M/s. PRICE WATERHOUSE CHARTERED ACCOUNTANTS CHENNAI
BANKERS	:	ORIENTAL BANK OF COMMERCE
REGISTERED OFFICE & WORKS	:	KPIII/428, VELI, THIRUVANANTHAPURAM - 695 021
CORPORATE OFFICE	:	N-75, CONNAUGHT CIRCUS, NEW DELHI -110 001.

NAME OF STOCK EXCHANGES WHERE THE SHARES OF THE COMPANY ARE LISTED
COCHIN, DELHI, MUMBAI AND MADRAS
LISTING FEES FOR THE YEAR 2000-2001 PAID TO ALL THE ABOVE STOCK EXCHANGES

www.reportjunction.com

SANSCO SERVICES - Annual Reports Library Services - www.sansco.net

English Indian Clays Limited

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

NOTICE

The Thirty Sixth Annual General Meeting of the Company will be held on Friday, 22nd September, 2000 at 11.00 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, 2000, the Profit and Loss Account for the year 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.K. Toshniwal 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 (s) the following resolution as an Ordinary Resolution :

   "RESOLVED THAT Shri Vijay Rai be and is hereby appointed Director of the Company subject to retirement by rotation".

7. To consider, and if thought fit, to pass with or without modification (s) 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 create second charges on all or any of the immovable properties of the Company in favour of Oriental Bank of Commerce, 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 :

   (a) Fund based facilities

Cash Credit	:	Rs. 408 lacs
Packing Credit	:	Rs. 50 lacs
Bills purchased/discounted	:	Rs. 50 lacs
Non Fund based	:	Rs. 50 lacs
TOTAL		Rs. 558 lacs

www.reportjunction.com

SANSCO SERVICES - Annual Reports Library Services - www.sansco.net

(b) All interests, compound/ additional interest, commitment charges, costs, charges, expenses, and all other monies payable by the Company to Oriental Bank of Commerce.

" RESOLVED FURTHER that the Board of Directors be and is hereby authorised to finalise with Oriental Bank of Commerce, the documents in relation to or for creating the mortage and /or second 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".

8. To consider, and if thought fit, to pass with or without modification (s) the following resolution as a Special Resolution :

" RESOLVED THAT consent of the Company be and is hereby accorded in terms of Section 372A(b) of the Companies Act, 1956 and other applicable provisons, if any, of the Companies Act, 1956 (including any statutory modification (s) or/ reenactment thereof, for the time being in force), to give Corporate Guarantee on behalf of Bharat Starch Industries Ltd. in favour of ICICI Ltd., for Rs. 175 lacs in respect of the Rupee Term Loan availed from ICICI Ltd.

" RESOLVED FURTHER that the Board of Directors be and is hereby authorised to finalise with ICICI Ltd., the related documents for giving corporate guarantee 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 such Corporate Guarantees shall be valid till such time the Rupee Term Loan are fully repaid by Bharat Starch Industries Ltd. (BSIL) to ICICI Ltd. as per the terms of Loan."

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 16TH SEPTEMBER, 2000 TO 22ND SEPTEMBER, 2000 (BOTH DAYS INCLUSIVE). THE DIVIDEND ON EQUITY SHARES, IF DECLARED, WILL BE PAID TO THOSE MEMBERS WHOSE NAMES APPEAR IN THE REGISTER OF MEMBERS AS ON 22ND SEPTEMBER, 2000.
3. AS PER COMPANIES UNPAID DIVIDEND (TRANFER TO GENERAL REVENUE ACCOUNT OF THE CENTRAL GOVERNMENT) RULES, 1978, MEMBERS ARE HEREBY INFORMED THAT ANY UNPAID DIVIDEND DECLARED I N 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 : 7th August, 2000

sd/-
(K.N.RISHIKESH)
COMPANY SECRETARY

www.reportjunction.com

SANSCO SERVICES - Annual Reports Library Services - www.sansco.net

EXPLANATORY STATEMENT
(PURSUANT TO SECTION 173 OF THE COMPANIES ACT 1956)

ITEM NO.6

Being Additional Director Shri Vijay Rai will hold office upto the date of the ensuing Annual General Meeting. A notice u/s 257 of the Companies Act, 1956 has been received proposing his appointment as a Director of the Company.

Hence, the resolution is recommended for your approval.

Execept Shri Vijay Rai, no other Director of the Company is concerned or interested in the resolution.

ITEM NO.7

The Company has been sanctioned Working Capital Facilities to the extent of Rs. 508 lacs on Fund based and Rs. 50 lacs on Non-Fund based from Oriental Bank of Commerce for its working capital requirement. This working capital facilities will be secured by creating second charges on the immovable properties of the Company. This charges would be pari-passu to the mortgage/ charge(s) created/to be created in favour of other financial institutions.

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

None of the Directors of the Company is in any way concerned or interested in the resolution.

ITEM NO.8

Bharat Starch Industries Ltd. has approached the Company to give Corporate Guarantee in favour of ICICI Ltd. against the Rupee Term Loan of Rs. 175 lacs availed from ICICI Ltd. to finance the Citric Acid project at Baroda in which the Company is a main promoter.

Hence the resolution is recommended for your approval u/s 372A(b) of the Companies Act,1956.

Except Shri Karan Thapar, Shri B.M. Thapar and Shri S.N. Dua, no other Director of the Company is concerned or interested in the resolution.

BY ORDER OF THE BOARD
for **ENGLISH INDIAN CLAYS LTD.**

Place: New Delhi
Date : 7th August, 2000

sd/-
(K.N.RISHIKESH)
COMPANY SECRETARY

www.reportjunction.com

SANSCO SERVICES - Annual Reports Library Services - www.sansco.net

DIRECTORS' REPORT

FOR THE YEAR ENDED 31st MARCH, 2000

To

The Members:

Your Directors are pleased to present the Annual Report and audited statement of accounts for the year ended 31st March, 2000.

(Rs. in Crores)

FINANCIAL RESULTS	31st March, 2000	31st March, 1999
Gross operating Profit earned for the year (before interest and depreciation)	**16.33**	12.86
Less : Interest	**3.84**	5.26
Gross Profit before Depreciation	**12.49**	7.60
Less : Depreciation	**1.72**	2.13
Net Profit	**10.77**	5.47
To which is added:		
Balance brought forward from the previous year	**0.31**	0.27
From which is deducted:		
Provision for Taxation	**3.20**	3.61
(previous year including Rs.2.08 Crores relating to earlier years)		
Leaving a balance of	**7.88**	2.13
Which your Directors recommend to be appropriated as under :		
Dividend at 25%	**0.96**	0.96
Tax on Dividend	**0.21**	0.11
Transfer to General Reserve	**5.00**	0.19
Debenture Redemption Reserve	**0.57**	0.57
Carried forward to next year's account	**1.14**	0.30

DIVIDEND

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

www.reportjunction.com

SANSCO SERVICES - Annual Reports Library Services - www.sansco.net

ENGLISH INDIAN CLAYS LIMITED

OPERATIONS

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

The slow but steady economic recovery in the Indian economy led to an increased demand for your Company's products. This coupled with the consistent improvement in operations has resulted in a fairly good performance for the Kaolin business during the year under review. The sales in absolute terms increased by 19.61% from the previous year. During the year production stood at 87011 MT (Previous year 80067 MT) and sales at 90385 MT(Previous year 78219 MT). The Annual installed capacity for clay products has now reached a level of 100000 MT.

(b) **Leasing**

During the year, the Company did not enter into any fresh lease arrangement. The company is vigorously following the recovery of lease rental dues. In view of the uncertainties involved with regard to collection of lease rentals, the lease income has been accounted on receipt basis to reflect the true and fair state of affairs of the company.

(c) **Export**

During the current year, the company exported clay to the tune of Rs. 206 lacs (previous year 259 lacs)

SUBSIDIARY

As required under Section 212 of the Companies Act, 1956, the statement and accounts of the subsidiary Company-Bharat Projects Ltd. are attached herewith.

RESEARCH & DEVELOPMENT

The Company continues to lay emphasis on Research and Development activities.The efforts made at the inhouse R&D facility have resulted in the development of new value added products for different applications particularly for paper and paint industry and has also contributed to cost reduction.

FIXED DEPOSITS

On 31st March, 2000 fixed deposit amounting to Rs. 10,000/- which become due for repayment had remained unclaimed by one depositor.

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

As required under rule 2 of the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, the particulars relating to Conservation of Energy is not applicable to the Company and detail of Technology absorption is given in Form B in Annexure 1 of this report.

The Company has made the export earnings of Rs.206 lacs and remittance of foreign currency equivalent to Rs.26.21 lacs towards various purpose details of which have been incorporated in the Notes to Accounts No.13, 17 and 18 of Schedule 23.

DIRECTORS

Mr. S.N. Dua and Mr. S.K. Toshniwal, Directors of the Company being longest in the office, retire by rotation and being eligible offers themselves for reappointment. Their appointments are recommended for your approval.

www.reportjunction.com

SANSCO SERVICES - Annual Reports Library Services - www.sansco.net

Mr. Vijay Rai was appointed as an additional Director w.e.f. 7th August, 2000 and will hold office upto the date of the ensuing Annual General meeting. A Notice u/s 257 of the Companies Act, 1956 proposing his appointment as Director of the Company has been received. His appointment is recommended for the approval of the Shareholders.

PARTICULARS OF EMPLOYEES UNDER SECTION 217 (2A) OF THE COMPANIES ACT, 1956

Statement of employees required under Section 217(2A) of the Companies Act, 1956 read with the Companies (particulars of employees) Rules, 1975 as amended upto date is annexed to this report and forms part of this report.

AUDITORS

M/s Price Waterhouse, Chartered Accountants, the existing Auditors retire and are eligible for re-appointment. Their appointment is recommended for your approval.

The Company's explanations to the Auditor 's observations in para 2 of their report have been detailed in note Nos. 6,7 & 8 in Schedule 23 to the accounts which form part of the Annual Report.

INDUSTRIAL RELATIONS

The Board of Directors of the Company appreciate the sustained efforts put in by the employees of the company at all level and for their valuable contribution to the growth and performance of the Company during the year. The Industrial relations remained cordial throughout the year.

ACKNOWLEDGEMENT

The Directors place on record their appreciation of the cooperation and assistance extended by Financial Institutions particularly from Industrial Credit & Investment Corporation of India, (ICICI), Company 's Bankers Oriental Bank of Commerce, Central and State Govts. and other Government authorities.

FOR AND ON BEHALF OF THE BOARD

sd/-
KARAN THAPAR
Chairman-cum-Managing Director

Place : New Delhi
Date : 7th August, 2000

www.reportjunction.com

SANSCO SERVICES - Annual Reports Library Services - www.sansco.net

FORM - B

1. Specific Areas in which R & D Carried out by the Company.

(a) Established Calcined Clay, Himapol in paint applications in addition to Himafil established in earlier year.

(b) Development work on Himafine (Superfine Hibrite Calcined Clay) completed. Bhabha Atomic Reserach Centre (BARC) designed cyclones being added to the Particle Size Classifier (PSC) for production of Himafine at 200 TPA.

(c) To develop a new product for the fiberglass industry based on consistency in chemical composition.

(d) Screened several organic flocculants and identified some for plant level trials.

(e) Monitored the progress of Company's sponsored project on 'Value Added Products by Thermal and Chemical Processing of China Clay' at Regional Research Laboratory (CSIR), Thiruvananthapuram.

(f) Initiated developmental work on 'HIMACEM' for special cements' applications.

2. Benefits derived as a result of the above Research and Development :-

(a) Increased demand for Company's Calcined Clays in Indian Paint Industry.

(b) Cost reduction achieved in the development of a new grade for fiberglass.

(c) Feasibility of introducing 'Himacem' in cement industry established.

(d) Preparation of clay-based Catalyst and its catalysis properties.

3. *Future Plan of Action* :-

(a) Establish Himacem in Cements and Himablue (earlier called CCPUM) in Ultramarine Industries using cheaper feed materials for calcination.

(b) Commissioning of the pilot plant for Himafine and establishing the product in the industry.

(c) Establish the new product developed for fiberglass industry.

(d) Explore possibility of 'High Denisty operation' for promoting increase in plant capacity.

(e) Complete EICL sponsored project at Regional Research Laboratory and propose pilot plant for Surface Modified Calcined Clays.

4. Expenditure on R & D :-

	31st March, 2000	31st March, 1999
	(Rs.)	(Rs.)
a) Capital	1,33,603	2,45,105
b) Recurring	52,91,198	35,04,588
c) Total	**54,24,801**	37,49,693
d) Total R&D Expenditure as a percentage of total turnover	1.16%	0.97%

5. Particulars with respect to Technology Absorptions, Adaptation and innovation are not applicable.

www.reportjunction.com

PARTICULARS OF EMPLOYEES REQUIRED UNDER SECTION 217 (2A) OF THE COMPANIES ACT, 1956, READ WITH COMPANIES (PARTICULARS OF EMPLOYEES) RULES, 1975 AS AMENDED UPTO DATE AND FORMING PART OF DIRECTOR'S REPORT FOR THE YEAR ENDED 31st MARCH, 2000.

Sl. No.	Name	Designation	Remuneration Received/ Receivable	Qualification	Experience	Date of commencement of Employment	Age	Last Employment before joining the Company
1.	Mr. D.Kohli	Chief Operating Officer	Rs. 9,71,235/-	B.A.	27 Years	1-4-93	54	DBH INTERNATIONAL LTD.

Note : 1. Remuneration includes salary and allowances, Contribution to Provident and Superannuation Fund and where applicable Gratuity, Pension, Medical Benefits, Personal Accident Insurance, House Rent Allowance, Leave Travel concession, Car Allowance, Water and Electricity Charges , Club Subscription and taxable value of perquisites.

2. Mr. D.Kohli is not related to any Director of the Company.

SANSCO SERVICES - Annual Reports Library Services - www.sansco.net

www.reportjunction.com