

*Seventeenth Annual Report
1997-98*

MD	✓	BKC	✓
CS	✓	EFY	AA
RO	✓		AA
TRA	NA		✓
AGM	✓	SH	✓
YE	✓		



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Kamar Chemicals & Industries Ltd.





Kamar Chemicals & Industries Ltd.

15/1, 11th Avenue, Ashok Nagar, Chennai - 600 083.

CHAIRMAN

Shri **P S BALASUBRAMANIAN**

MANAGING DIRECTOR

Shri **SYED MEERAN**

DIRECTORS

Smt **NISHAT MEERAN**

Shri **R VENKATRAMAN**

Shri **S PATTABIRAMAN**

Shri **C N GANGADARAN**

Dr. **R C K GUPTA**

COMPANY SECRETARY

Shri **P D KRISHNA PRASAD**

BANKERS

CANARA BANK

154, Thambu Chetty Street,
Chennai - 600 001.

CANBANK FACTORS LIMITED

770-A, Spencer Tower Annexe, Anna Salai,
Chennai - 600 002

AUDITORS

M/s. NATRAJ ASSOCIATES

Chartered Accountants,
264-B, T.T.K. Road,
Alwarpet,
Chennai - 600 018.

REGISTERED OFFICE

15/1, 11th Avenue,
Ashok Nagar,
Chennai - 600 083.

FACTORY

No. 56-A, SIPCOT
Industrial Complex,
Ranipet,
North Arcot District,
Tamilnadu.

Kamar Chemicals & Industries Ltd.

NOTICE FOR THE SEVENTEENTH ANNUAL GENERAL MEETING OF THE MEMBERS OF KAMAR CHEMICALS & INDUSTRIES LIMITED

NOTICE is hereby given that the Seventeenth Annual General Meeting of the members of the Company will be held on Friday, the 26th day of March, 1999 at 10.00 a.m. at **Kasturi Srinivasan Hall, Music Academy, 306, T.T.K. Road, Royapettah, Chennai - 600 014** to transact the following business :

ORDINARY BUSINESS

- 1) To receive, consider and adopt the audited Balance Sheet of the Company as at 30.09.98 and the Profit & Loss Account for the eighteen months ended 30.09.98 together with the Reports of the Directors and Auditors thereon.
- 2) To elect a Director in place of Shri R Venkatraman who retires by rotation and being eligible, offers himself for re-election.
- 3) To elect a Director in place of Shri S Pattabiraman who retires by rotation and being eligible, offers himself for re-election.
- 4) To appoint the Auditors and fix their remuneration.

By order of the Board,

Place : Chennai - 83

Date : 22.02.1999

P D KRISHNA PRASAD*Company Secretary*


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 Registered Office of the Company atleast 48 hours before the time fixed for the commencement of the meeting.
2. Members are requested to notify any change in their address to the Registered Office of the Company quoting their Folio Nos.
3. A member or his proxy is requested to produce at the entrance of the meeting hall the attendance slip forwarded to the member duly completed and signed by the member in accordance with the specimen signature registered with the Company. Xerox copy/torn attendance slips will not be accepted.
4. The Register of Members and Share Transfer Books of the Company will remain closed from Tuesday the 16th March, 1999 to Friday, the 26th March, 1999 (both days inclusive).
5. Pursuant to Section 205(A) of the Companies Act, 1956, unclaimed dividends for the financial year ended 31.03.94 and 31.3.95 have been transferred to the General Revenue Account of the Central Government within the prescribed time as per details given below :

Year	% of Dividend	No. of Equity shares	No. of holders	Amount	Date of Transfer
31.3.1995	22%	15,359	93	33,517	12.10.1998
31.3.1994	20%	13,355	70	26,610	21.11.1997

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Members who have not claimed or collected their dividend for the said financial years may claim their dividend from the Registrar of Companies (Tamilnadu), Shastri Bhavan, Block No.6, II Floor, 26 Haddows Road, Chennai - 600 006 by submitting an application in the prescribed form.

6. The unclaimed dividend for the following financial years will be transferred to the Investor Education and Protection Fund :

Financial year ended	Period of Transfer
31.03.96	January, 2002
31.03.97	November, 2002

7. Members are requested to bring to the meeting copies of the Annual Report now being sent to them as additional copies may not be available at the venue in sufficient quantity.



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REPORT OF THE DIRECTORS

Your Directors present their Seventeenth Annual Report together with the Audited Statements of Accounts for eighteen months ended 30th September, 1998.

FINANCIAL RESULTS

The results for the period under review as compared to the previous year are as follows :

	Eighteen months ended 30.09.1998	Year ended 31.03.1997
	(Rs.in lakhs)	
Profit/(Loss) after Depreciation and prior period adjustments but before tax	(10.65)	146.54
Provision for taxation (MAT)	4.00	20.00
Profit/(Loss) after tax	(14.65)	126.54
Profit brought forward from last year	214.21	146.85
Proposed Dividend (including dividend tax)	—	44.18
Amount transferred to Reserve	—	15.00
Balance Carried to Balance Sheet	199.56	214.21

OPERATIONS

The gross sales for eighteen months ended 30.09.98 amounted to Rs.1,015.90 lakhs as against Rs.683.37 lakhs for the year ended 31.03.97. Consequent to the general recession prevailing in the economy and significant fall in prices, the profitability of the Company has been adversely affected.

Comparative production figures for eighteen months ended 30.09.98 and previous year ended 31.03.97 are given below :

	Eighteen months ended 30.09.1998	Year ended 31.03.1997
	(in MTs.)	
Sulphuric Acid	28,542	21,875
Oleum	5,778	3,597
Ferric Alum	7,920	5,245
Acid Slurry	351	85
Liquid Sulphur Trioxide	731	509
Beta Naphthol	60	1

Fall in production is mainly due to unforeseen breakdowns during the year.

PROJECT STATUS

The Company is in the process of revamping its Beta Naphthol and Acid Slurry Plants. Besides the capacity of the Alum Plants is also being increased for meeting substantial increase in the demand for the products,

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both locally and in the international markets. The Company is also in the process of setting up a plant for manufacturing Non-Ferrous Alum and the expenses incurred on this project has been included under pre-operative expenses.

CHANGE OF ACCOUNTING YEAR

The Company's accounting year was extended to end on 30.9.98 and the necessary approval from the Registrar of Companies has been obtained. Consequently, the Accounts under review have been prepared for a period of eighteen months ended 30.9.98.

DIVIDEND

In view of the losses, the Directors express their inability to recommend any dividend.

ISSUE OF PREFERENCE SHARES

The Company has allotted 7,750, 15% Redeemable Cumulative Preference Shares of Rs.100/- each during the period under review.

FIXED DEPOSIT

Your Company has not accepted Fixed Deposits, during the period under review.

LISTING AGREEMENT

Shares of the Company are listed at Chennai, Mumbai and Ahmedabad stock Exchanges. Information as required under Clause 32 and 43 of the Listing Agreement is annexed as a part of this Report.

DIRECTORS

Your Directors regret to inform you the demise of Shri R Balasubramanian former Chairman of the Company. The Board place on record the valuable services rendered by him during his tenure of office as Chairman.

The Board of Director deeply regret the demise of Shri S.H. Syed Yusuff, Founder Chairman of the Company, and earnestly wish to place on record the valuable services rendered by him during his tenure as Chairman and Director. The Board of Directors appointed Shri P.S. Balasubramaniam as Additional Director as well as Chairman of the Company with effect from 25th May, 1998. As no Notice has been received under Section 257 of the Companies Act, 1956 he ceases to be Director at this Annual General Meeting.

The nomination of Shri D. Sayee Baba, as Director of the Company was withdrawn by TILC and the same was recorded by the Board on 30.01.1999. The Board places on record the valuable services rendered by Shri D. Sayee Baba during the tenure of his office as Director.

Shri S Pattabiraman and Shri R Venkatraman retire by rotation at this Annual General Meeting and being eligible offer themselves for reappointment.

AUDITORS

M/s Natraj Associates, Chartered Accountants, Chennai - 600 018 retire at this Annual General Meeting and are eligible for reappointment.

CONSERVATION OF ENERGY

Particulars under Section 217(1)(e) of the Companies Act, 1956 are annexed.

PERSONNEL

Industrial relations remained congenial during the current year too. The Directors thank the employees for their contribution to the progress of the Company. Details required under Section 217(2A) of the Companies Act,

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1956 (read with Companies particulars of Employees Rules 1975) regarding particulars of employees has not been provided as no employee was in receipt of remuneration in excess of Rs.25,000/- per month or Rs.3,00,000 per annum.

ACKNOWLEDGEMENT

Your Company and its Directors sincerely thank various departments of the Central and State Governments for their excellent support and co-operation. Your Directors are also grateful to SIPCOT, Canara Bank, Canbank Factors Ltd. and other Institutions for all the assistance rendered by them from time to time.

Your Directors also sincerely thank the shareholders for their continued support and co-operation especially during this difficult period.

By order of the Board,

Place : Chennai - 83
Date : 22.02.1999

S PATTABIRAMAN
Director

SYED MEERAN
Managing Director

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ANNEXURE TO THE DIRECTORS' REPORT

Information under Section 217(1)(e) of the Companies Act, 1956, read with Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988 and forming part of the Director's Report for eighteen months ended 30th September, 1998.

1. CONSERVATION OF ENERGY

Total energy consumption and energy consumption per unit of production as prescribed in Form-A are given below.

A. POWER AND FUEL CONSUMPTION	Eighteen months ended 30.09.1998	Year ended 31.03.1997
I. ELECTRICITY		
(a) Purchased - Unit (KWH)	29,96,174	8,79,201
Total Amount (Rs.)	86,28,590	25,49,642
Rate/Unit (Rs.)	2.88	2.90
(b) Own Generation		
1. Through Diesel Generator		
310 KVA Unit (KWH)	1,75,020	78,678
Unit per litre of Diesel Oil	2.80	2.79
Cost of Diesel per KWH (Rs.)	3.95	3.23
2. Through Steam Turbine/Generator Units	—	4,36,750
Unit per litre of Diesel Oil	—	—
Oil/Gas	—	—
Cost per unit (Rs.)	—	—
II. COAL		
Quantity (Units)	—	—
Total Cost (Rs.)	—	—
Average Rate (Rs.)	—	—
III. FURNACE OIL		
Quantity (Units)	173	1
Total Cost (Rs.)	24,03,490	3,054
Average Rate (Rs.)	13,893	10,337
IV. OTHER INTERNAL GENERATION		
Quantity (Units)	—	—
Total Cost (Rs.)	—	—
Average Rate (Rs.)	—	—
B. CONSUMPTION PER UNIT OF PRODUCTION (UNITS PER MT.)		
Products :		
Sulphuric Acid & Oleum, Ferric Alum, Liquid Sulphur Trioxide, Acid Slurry and Beta Naphthol		
Electricity (KWH)	69.06	54.54