

*Eighteenth Annual Report
1998-99*



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Kamar Chemicals & Industries Ltd.



Kamar Chemicals & Industries Limited

Sapthagiri Bhavan, IInd Floor, 10, Karpagambal Nagar, Mylapore, Chennai - 600 004.

MANAGING DIRECTOR

Shri **SYED MEERAN**

DIRECTORS

Smt **NISHAT MEERAN**

Shri **R VENKATRAMAN**

Shri **C N GANGADARAN**

Dr **R C K GUPTA**

COMPANY SECRETARY

Shri **P D KRISHNAPRASAD**

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

Sapthagiri Bhavan, IInd Floor,
10, Karpagambal Nagar, Mylapore,
Chennai - 600 004.

FACTORY

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

Kamar Chemicals & Industries Ltd.

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

NOTICE is hereby given that the Eighteenth Annual General Meeting of the members of the Company will be held on Thursday, the 29th day of June, 2000 at 10.30 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 30.09.99 and the Profit & Loss Account for the year ended 30.09.99 together with the Reports of the Directors and Auditors thereon.
2. To elect a Director in the place of Dr R C K Gupta who retires by rotation and being eligible offers himself for re-election.
3. To elect a Director in place of Shri C N Gangadaran 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 - 4
Date : 01-06-2000

P D KRISHNAPRASAD
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. Members/proxies should bring the Attendance Slip duly filled for attending the meeting.
5. Pursuant to Section 205(A) of the Companies Act, 1956 unclaimed dividend for the financial year ended 31.3.94 and the 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
31.3.95	22%	15359	93	33517	12.10.98
31.3.94	20%	13355	70	26610	21.11.97

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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 (Tamil Nadu), 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
31.3.96	Jan 2002
31.3.97	Nov 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.
8. The Registered Office of the Company has been shifted to Sapthagiri Bhavan, IIInd Floor, 10, Karpagambal Nagar, Mylapore, Chennai - 600 004 with effect from 1st June, 2000. Members are requested to make all future correspondence to the Registered Office of the Company.

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REPORT OF THE DIRECTORS

Your Directors present their Eighteenth Annual Report with the Audited Statements of Accounts for the year ended 30th September, 1999.

FINANCIAL RESULTS

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

	Year ended 30.9.1999	Eighteen months ended 30.9.1998
	(Rs.in lakhs)	
Profit after Depreciation but before tax	(201.49)	(10.65)
Provision for taxation (MAT)	—	4.00
Profit after tax	(201.49)	(14.65)
Profit brought forward from last year	199.56	214.21
Dividend on Redeemable Cumulative Preference Shares (including dividend tax)	0.30	—
Amount transferred to Reserve	—	—
Balance Carried to Balance Sheet	(2.23)	199.56

OPERATIONS

The sales for the year ended 30.09.99 amounted to Rs. 485.97 lakhs as against Rs.1015.90 lakhs for the eighteen months period ended 30.09.98.

Comparative production figures for the year ended 30.09.99 and for the period ended 30.09.98 are given below :-

	Year ended 30.09.1999	Eighteen months ended 30.09.1998
	(in MTs)	
Sulphuric Acid	17,385	28,542
Oleum	2,892	5,778
Alum	4,477	7,920
Acid Slurry	—	351
Liquid Sulphur Trioxide	—	731
Beta Naphthol	—	60

Fall in production is mainly due to shutdown of plant for 91 days during the year caused due to break down of the main Blower followed by preventive maintenance work.

PROJECT STATUS

There were initial teething problems in the Beta Naphthol and Acid Slurry Plants and the Company is in the process of stabilising the same. The Company has commissioned Non Ferric Alum Plant in October 1999.

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DIVIDEND

The Company has passed through a very difficult period and is now in the process of augmenting its production and resources. Board of Directors therefore regret their inability to recommend any dividend.

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 part of this Report.

CHANGE OF MANAGEMENT

The management control of the Company has vested with M/s T C P Ltd consequent on acquisition of shares of Promoters and their Associates of the Company. Subsequently, in order to comply with the provisions of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 an open offer was made to the shareholders of the Company by M/s T C P Ltd alongwith Persons Acting in Concert which was closed on 22nd February, 2000.

As the Acquirer have wide experience in manufacture and trading of chemicals which is the main activity of the company, the Acquirer consider it desirable to take over the management of the company. By this, the Directors are confident that the Company would improve its performance in years to come. The Directors nominated by M/s.T C P Limited and Persons Acting in Concert who had acquired major stake by way of acquisition of shares would be co opted to the Board of the Company. SIPCOT has given approval for the change of management of the Company and the approval from Canara Bank is expected in this regard.

DIRECTORS

Shri S Pattabiraman has resigned from Directorship of the Company on 3rd September 1999. The Board places on record the valuable services rendered by him during his tenure as a Director of the Company.

Dr R C K Gupta and Shri C N Gangadaran 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 is annexed.

PERSONNEL

Industrial relations remained congenial during the current year too. Details required under Section 217(2A) of the Companies Act, 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.50,000/- per month or Rs.6,00,000/- per annum.

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ACKNOWLEDGEMENT

Your Company and its Directors wish to sincerely thank various departments of the Central and State Governments for their excellent support and co-operation. Your Directors wish to place on record their gratitude for the support and assistance extended by SIPCOT, Canara Bank and Canbank Factors Limited.

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 - 4
Date : 01-06-2000.

SYED MEERAN
Managing Director

NISHAT MEERAN
Director

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ANNEXURE TO THE DIRECTORS' REPORT

Information under Section 217(1)(e) of the Company's 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 the year ended 30th September, 1999.

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

	Year Ended 30.09.1999	Eighteen months ended 30.09.1998
I. ELECTRICITY		
(a) Purchased - Unit (KWH)	18,77,692	29,96,174
Total Amount (Rs.)	66,82,461	86,28,590
Rate/Unit (Rs.)	3.27	2.88
(b) Own Generation		
1. Through Diesel Generator		
310 KVA Unit (KWH)	71,160	1,75,020
Unit per liter of Diesel Oil	2.73	2.80
Cost of Diesel per KWH (Rs.)	3.70	3.95
2. Through Steam Turbine/ Generator Units	—	—
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)	36	173
Total Cost (Rs.)	2,65,686	12,36,950
Average Rate (Rs.)	7,380	7,150
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)	75.43	69.06