

# **Kamar Chemicals & Industries Ltd.**



**Twenty First Annual Report  
2002 - 2003**



## Kamar Chemicals & Industries Limited

TCP Sapthagiri Bhavan, II Floor, 4 (Old No.10), Karpagambal Nagar, Mylapore, Chennai - 600 004.

### BOARD OF DIRECTORS

Shri **SYED MEERAN**  
Smt **NISHAT MEERAN**  
Shri **R VENKATRAMAN**

### BANKERS

**CANARA BANK**  
154, Thambu Chetty Street,  
Chennai - 600 001.

### AUDITORS

M/s. **NATRAJ ASSOCIATES**  
Chartered Accountants  
264-B, T T K Road, Alwarpet,  
Chennai - 600 018.

### REGISTERED OFFICE

T C P Sapthagiri Bhavan,  
II Floor,  
4 (Old No.10), Karpagambal Nagar,  
Mylapore,  
Chennai - 600 004.

### FACTORY

No.56-A, SIPCOT,  
Industrial Complex,  
Ranipet - 632 403,  
North Arcot District,  
Tamil Nadu.

Listed at Chennai, Mumbai &  
Ahmedabad Stock Exchanges

Kamar Chemicals & Industries Ltd.

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

NOTICE is hereby given that the Twenty first Annual General Meeting of the members of the Company will be held on Friday the 26<sup>th</sup> September, 2003 at Narada Gana Sabha Trust (Sathguru Gnanananda Mini Hall), 314 (Old No.254) T T K Road, Chennai – 600 18 at 2.45 P.M to transact the following business: -

**ORDINARY BUSINESS**

1. To receive and consider and adopt the audited Balance Sheet of the Company as at 31.03.2003 the Profit & Loss Account for the year ended 31.03.2003 together with the Report of the Directors and Auditors thereon.
2. To elect a Director in place of Sri R Venkatraman who retires by rotation and being eligible, offers himself for reelection as a Director.
3. To appoint the Auditors and fix their remuneration.
4. To consider, and if thought fit, to pass, with or without modification(s), the following resolution as Special Resolution:-

“RESOLVED that pursuant to Section 163 of the Companies Act, 1956 (herein after called “the Act”) consent is hereby given that the Register of Members, Indices of Members, Copies of Annual Returns prepared by the Company under Section 159 of the Companies Act, 1956 together with copies of certificates and documents required to be annexed hereto under Section 161 of the Act or any one or more of them shall, with effect from 1<sup>st</sup> October 2003 to kept at the Office of M/s Cameo Corporate Services Limited, the Company at “Subramanian Building”, V Floor, 1 Club House Road, Chennai 600 002 instead of at Registered Office of the Company.”

“RESOLVED FURTHER that the Registers, Indices, Returns, Books, Certificates and Documents of the Company required to be maintained and kept open for inspection by the Members and/or any person entitled thereto under the Act, be kept open for such inspection, at the place where they are kept extent, in the manner and on payment of the fees if any specifies in the Act, between 11.00 a.m and 1.00 p.m on any working day (excluding Saturday and Sunday) and are closed under the provisions of the Act, and/or the Articles of Association of the Company.”

By order of the Board,

Place : Chennai – 4  
Date : 20.08.2003

**SYED MEERAN**  
Director

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**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 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) Register of member and Share Transfer books of the company will remain closed from 20<sup>th</sup> day of September 2003 to 26<sup>th</sup> day of September 2003 (Both days inclusive).
- 4) Pursuant to Section 205(A) of the Companies Act, 1956 unclaimed dividends for the financial year ended 31.03.94 to 31.03.96 have been transferred to the General Revenue Account of the Central Government within the prescribed time as per details given below: -

Kamar Chemicals &amp; Industries Ltd.

Year	% of Dividend	No. of equity Shares	No. of Holders	Amount	Date of Transfer
31.03.96	22%	26027	83	41275	27.01.03
31.03.95	22%	15359	93	33517	12.10.98
31.03.94	20%	13355	70	26610	21.11.97

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.

Shareholders are hereby informed that the amendment of the Act with effect from 31.10.1998 the Company will be obliged to transfer any money lying in the Unpaid Dividend Account, which remains unpaid or unclaimed for a period of seven years from the date of such transfer to the Unpaid Dividend Account, to the credit of Investor Education and Protection Fund ("the Fund") established by the Central Government. In accordance with Section 205C of the Act, no claim shall against the Company or Fund in respect of individual amounts of dividends remaining unclaimed and for a period seven years from the dates they became first due for payment and no payment shall be made in respect of any such claims.

- 6) The unclaimed dividend for the following financial years will be transferred to the investor and Protection Fund

Financial Year ended	Period of Transfer
31.03.97	Nov 2003

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

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

#### ITEM NO.4

In compliance with the requirement of Circular No.D/CC/FITTC/CIR-15/2002 date 27<sup>th</sup> December 2002 from the Securities and Exchange Board of India the Company has appointed M/s Cameo Corporate Services Limited, Chennai as the Registrars and Share Transfer Agents to the Company with effect from 31<sup>st</sup> March 2003 to handle the share related work for both physical and dematerializes shares of the Company.

It is proposed to keep the Indices of Members, Register of Members, Copies of Annual Returns together with the copies of certificates and documents required to be annexed thereto at the office of M/s. Cameo Corporate Services Limited, Subramanian Building, V Floor 1 Club House Road, Chennai - 600 002 with effect from 1<sup>st</sup> October 2003.

Pursuant to provision to Section 163 of the Companies Act, 1956 it is necessary to have the approval of the members of the Company by way of Special Resolution for this purpose. The Special Resolution is commended for approval of the members.

The Special Resolution also specifies the time of inspection of the books and documents of the Company by its members and others.

Non of the Directors of the Company is in any way concerned or interested in the said resolution.

Kamar Chemicals &amp; Industries Ltd.

**REPORT OF THE DIRECTORS**

Your directors present their Twenty First Annual Report with the audited statements of accounts for the year ended 31<sup>st</sup> March 2003.

**FINANCIAL RESULTS**

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

	(Rs.in Lakhs)	
	Year ended 31.03.2003	Year ended 31.03.2002
Profit/(loss) after Depreciation but before tax	(245.25)	(169.34)
Provision for taxation	--	--
Profit/(Loss) after tax	(245.25)	(169.34)
Profit/(Loss) brought forward from last year	(249.73)	(112.54)
Dividend on Redeemable Cumulative	--	--
Preference Shares (including dividend tax)	--	--
Amount transferred from Reserve	--	32.15
Balance Carried to Balance Sheet	(494.98)	(249.73)

**OPERATIONS**

The sales for the year ended 31.03.2003 amounted to Rs.630.10 lakhs as against Rs.575.39 lakhs for the period 31.03.2002. Consequent to the general recession prevailing in the economy and significant fall in prices, the profitability of the company was affected adversely.

Comparative production figures for the year ended 31.03.2003 and for the year ended 31.03.2002 are given below:

	(Qty in Mts)	
	Year ended 31.03.2003	Year ended 31.03.2002
Sulphuric Acid	20,690	21,453
Oleum	2,730	3,720
Alum	5,413	6,075
Beta Naphthol	--	--
Others	1,408	1,519

**DIVIDEND**

In view of the losses the Directors could not recommend any Dividend.

**FIXED DEPOSITS**

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

**DIRECTORS**

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 is annexed.

**PERSONNEL**

Industrial relations remained congenial during the current year. The Directors thank the employees for their contribution.

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 given as no employee was in receipt of remuneration in excess of Rs.1,00,000 per month or Rs.12,00,000/- per annum.

**DIRECTORS RESPONSIBILITY STATEMENT**

As required under section 217 (2AA) of the Companies Act, 1956 the directors hereby confirm that:

1. In the preparation of the accounts for the year-ended 31.03.2003, the applicable accounting standards had been followed along with proper explanation relating to material departures.
2. The directors had such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year ended 31.03.2003 and of the loss of the company for that period.
3. The directors had taken proper and sufficient care for maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding of assets of the company and for preventing and detecting fraud and other irregularities.
4. The directors had prepared the annual accounts on a going concerns basis.

**CORPORATE GOVERNANCE**

Your Company is committed to include appropriate standards for Corporate Governance. As per the guidelines recommended by Securities and Exchange Board of India (SEBI) as Corporate Governance adequate steps have been taken to ensure that all mandatory provisions of Clause 49 of the Listing Agreement are duly complied and forms part of the Annexure to Annual Report.

The Report on Corporate Governance is presented separately after the appendix to the Directors Report relating to conservation of energy others.

**ACKNOWLEDGMENT**

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 are also grateful to SIPCOT, Canara Bank and their Institutions for all assistance rendered by them from time to time.

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

By order of the Board,

Place : Chennai - 4  
Date : 20.08.2003

**SYED MEERAN**  
Director

**NISHAT MEERAN**  
Director

Kamar Chemicals &amp; Industries Ltd.

**REPORT ON CORPORATE GOVERNANCE**

Corporate Governance is being followed by Kamar Management with focus on shareholders, consumers and employee.

**BOARD OF DIRECTORS**

The present strength of the Board is three. Shri Syed Meeran is in charge of affairs of the Company and assisted by Smt Nishat Meeran and Shri R Venkatraman - Directors.

The Directors do not have any pecuniary relationships or transactions with the company.

Five Board Meetings were held during the year 2002-2003. The dates on which the meetings were held are 30.04.2002, 31.07.2002, 28.08.2002, 31.10.2002 & 31.01.2003.

The information as required under Annexure 1 to Clause 49 of the Listing Agreement is made available to the Board. The agenda and the papers for consideration at the Board Meeting are circulated sufficiently in advance of the meeting to enable the Directors to have proper study and enable them to deliberate on the matters referred.

Attendance of each Directors at the Board Meeting and last Annual General Meeting (AGM).

Name	Category	No. of Board Meetings Attended	Last AGM Attended
Shri Syed Meeran	Director	5	Yes
Shri R Venkatraman	Director	3	Yes
Smt Nishat Meeran	Director	5	Yes

**REMUNERATION TO DIRECTORS**

As the Company is making loss no remuneration is paid to Directors.

**AUDIT COMMITTEE**

The Audit Committee was constituted by the Board on 1<sup>st</sup> April 2002 and comprises of the following:-

1. Smt Nishat Meeran
2. Shri R Venkatraman

The terms of reference of the committee covers spectrum of matters specified for Audit Committee under Clause 49 of the Listing Agreement as well as under Section 292A of the Companies Act, 1956 and broadly stated as follows:

1. Review the results, announcement and the report and accounts/review at the end of a quarter, half year and the full year before submission to the Board, focusing particularly on:
  - a) any changes in accounting policies and practices
  - b) major judgemental areas
  - c) significant adjustments resulting from the audit
  - d) the going concern assumption
  - e) compliance with accepted accounting standards
  - f) compliance with Stock Exchanges and legal requirements
2. Consider the appointment of the Statutory Auditors, Internal and Tax Auditors and fixation of the audit fees and any other matters of resignation or dismissal and approval for payment for any other services.

3. Discuss about the statutory auditors scope and vis-à-vis internal audit scope of work Meetings and attendance during the year.
4. Review statutory auditors audit reports and presentations and managements response thereto.
5. Investigate any specific matters referred by the Board.
6. Review internal audit programme and ensure co-ordination between the internal and statutory auditors and examine the adequacy of internal control commensurate with the size of the organization.
7. Any related party relationships (As per Clause 49)

There were 5 meetings of Audit committees during the year and were attended by all members of the committee. No remuneration is paid to the committee members as the Company is making losses.

The Chairman of the Audit committees Mrs Nishat Meeran was presented at the Annual General Meeting held on 30.09.2002.

#### **SHAREHOLDERS/INVESTORS GRIEVANCE COMMITTEES**

As per the Clause 49 of the Listing Agreement the Company has Shareholders/Investors Grievance Committee with two Directors viz .

Smt Nishat Meeran  
Shri R Venkatraman

The committee functions under the chairmanship of Mrs Nishat Meeran . During the year 8 Meetings were held and was attended by the members of the committee. No Remuneration is paid to Directors as the Company is incurring losses.

Share Transfer System and Shareholders Complaints.

The Company has been carrying out the functions of the Share Transfer Committee and all the Share Transfer applications and complaints, if any, received are disposed off within 10 days. The Committee meets periodically for approving share transfers and other related activities and looks into shareholders and investors complaints and grievances. During the financial year 2002-2003, the Company has not received any Shareholders complaints either from SEBI or Stock Exchanges/ Dept. of Company Affairs.

There are no pending share transfers as on date.

Transfer of Shares in physical and electronic mode.

In view of the specific guidelines issued by Securities and Exchange Board of India (SEBI) vide his Circular No. D&CC/FITIC/CIR 15/2002 dated 27.12.2002 the work of share transfers and related functions have been entrusted to SEBI approved R&D Agent namely M/s.Cameo Corporate Services, Chennai.

As on 31.03.2003 a total of 199063 Shares of the Company which constitutes 4.94% of the share capital of the Company stand dematerialized and 240 shareholders are holding shares in the dematerialized form.

#### **DISCLOSURES**

There are no materially significant related party transactions which is considered to have potential conflict with the interests of the Company at large.

There has not been any non compliance penalties or strictures imposed on the Company by the Stock Exchanges, SEBI or any other statutory authority on any matter relating to capital market during the last three years.



Kamar Chemicals &amp; Industries Ltd.

**ANNUAL GENERAL MEETINGS**

Details of the last three Annual General Meetings are as follows:

AGM for the Year ended	Date	Time	Venue of AGM
31.03.2002	30.09.2002	2.30 P.M	Narada Gana Sabha Trust 314 T T K Road Chennai – 600 018
31.03.2001	26.09.2001	2.45 P.M	Same as above
31.03.2000	29.06.2000	10.30 A.M	The Music Academy 306, T T K Road Chennai - 600 014

No Postal Ballots were used for voting at these meetings as there were no items requiring approval by Postal Ballots.

**QUATERLY RESULTS**

The quarterly results are published in circulating dailies such as News Today and Malai Chudhar. These results are not sent individually to the shareholders

**GENERAL SHAREHOLDERS INFORMATION**

AGM - DATE, Time and Venue : 26.09.03 at 2.45 P.M  
Narada Gana Sabha Trust  
314 (Old No.254) T T K Road  
Chennai – 600 018

Financial Calendar : April to March

Date of Book Closure : 20.09.03 to 26. 09.03 (Both days Inclusive)

Dividend : Nil

Listing on Stock Exchanges : Madras Stock Exchange Limited  
Post Box No.183.  
11 Second Line Beach  
Chennai – 600 001

The Stock Exchange – Ahmedabad  
Kamadhenu Complex  
Opp. Sahajanand College  
Panjarapole  
Ahmedabad – 380 015

The Stock Exchange – Mumbai  
Phiroze Jeejeebhoy Towers  
Dalal Street  
Mumbai – 400 001

ISIN : INE728D01012

Kamar Chemicals &amp; Industries Ltd.

Share Transfer Agents : Cameo Corporate Services Limited  
Subramanian Building  
No.1 Club House Road  
Chennai - 600 002

Plant Location : 56A SIPCOT Industrial Complex, Ranipet 632 403

Details of High and Low quotation during the year 2002-2003 is Rs.1/- as per the yearly Stock Exchange of List of Madras stock Exchange.

Address for Correspondence : Sri Syed Meeran  
4 (Old No.10) Karpagambal Nagar  
Mylapore  
Chennai - 600 004

#### Distribution of Shareholding as on 31.03.2003

No of Shares held	No. of shareholders		No. of shares	
	Total	% of Share holders	Total	% of Share Capital
1 - 500	3606	88.17	568020	14.09
501 - 1000	324	7.92	232470	5.77
1001 - 2000	80	1.96	115100	2.86
2001 - 3000	39	0.95	98750	2.45
3001 - 4000	9	0.22	32750	0.81
4001 - 5000	7	0.17	33000	0.82
5001 - 10000	7	0.17	44300	1.10
10001 and above	18	0.44	2905610	72.10
TOTAL	4090	100.00	4030000	100.00

#### Compliance of Non – Mandatory Requirements

1. The half-yearly declaration of financial performance including summary of significant events in last six months has not been sent to Shareholders.
2. Postal Ballot :

The concept of Postal Ballot was introduced in May 2001. The Company complies with the provisions of Section 192A of the Companies Act, 1956 read with Companies (Passing of resolution by Postal Ballot) Rules, 2001 by obtaining Shareholders consent through postal or electronic mode instead of voting personally at a general meeting for business covered in the said rules.