

Kamar Chemicals & Industries Limited



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**Twenty Third Annual Report
2004-2005**



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**
Shri **M.S. SETHURAMAN**
Shri **M.J. SAIFUDEEN**

BANKERS

CANARA BANK
154 Thambu Chetty Street
Chennai – 600 001

AUDITORS

M/s. NATRAJ ASSOCIATES
Chartered Accountants
288, 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.

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

NOTICE is hereby given that the Twenty Third Annual General Meeting of the members of the Company will be held on Thursday the 29th September, 2005 at Narada Gana Sabha Trust (Sathguru Gnanananda Mini Hall), 314 (Old No.254) T T K Road, Chennai – 600 18 at 2.45 PM to transact the following business:

ORDINARY BUSINESS

1. To receive and consider and adopt the audited Balance Sheet of the Company as at 31.03.2005 the Profit & Loss Account for the year ended 31.03.2005 together with the Report of the Directors and Auditors thereon.
2. To elect a Director in place of Shri M S Sethuraman who retires by rotation and being eligible, offers herself for reelection as a Director.
3. To appoint Shri M J Saifudeen as a Director.
4. To appoint the Auditors and fix their remuneration.

By order of the Board,

Place : Chennai – 4

SYED MEERAN

Date : 30.08.2005

Director

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 members and Share Transfer books of the company will remain closed from 22nd day of September 2005 to 29th day of September 2005 (Both days inclusive)
- 4) Pursuant to Section 205(A) of the Companies Act, 1956 unclaimed dividends for the financial year ended 31.03.94, 31.03.95, 31.03.96 and 31.03.97 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
31.03.97	22%	143136	435	130137	26.11.04
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 be made against the Company or Fund in respect of individual amounts of dividends remaining unclaimed and for a period of seven years from the dates they became first due for payment and no payment shall be made in respect of any such claims.

- 5) Members are requested to bring the Annual Report to the meeting.



Kamar Chemicals & Industries Ltd.

REPORT OF THE DIRECTORS

Your directors present their Twenty third Annual Report with the audited statements of accounts for the year ended 31st March 2005.

FINANCIAL RESULTS

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

(Rs.in Lakhs)

	Year ended 31.03.2005	Year ended 31.03.2004
Profit/(loss) after Depreciation but before tax	(199.47)	(293.05)
Provision for taxation	—	—
Profit/(Loss) after tax	(199.47)	(293.05)
Profit/(Loss) brought forward from last year	*(1314.42)	(494.98)
Dividend on Redeemable Cumulative		
Preference Shares (including dividend tax)	—	—
Amount transferred from Reserve	—	—
Balance Carried to Balance Sheet	(1472.57)	(788.03)

* On account of application of AS-28 from the current accounting period, the closing debit balance in Profit and loss account has been increased by Rs.526.38 Lacs.

OPERATIONS

The sales for the year-ended 31.03.2005 amounted to Rs.125.92 lakhs as against Rs.162.09 lakhs for the period 31.03.2004. 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 31.03.2005 and for the year ended 31.03.2004 are given below :

(Qty in Mts)

	Year ended 31.03.2005	Year ended 31.03.2004
Sulphuric Acid	21,374	2,603
Oleum	—	103
Alum	5,385	2,930
Beta Napthol	—	—
Others	—	33

DIVIDEND

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

FIXED DEPOSIT

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

DIRECTORS

Smt Nishat Meeran resigned on 05.11.04 and Shri M J Saifudeen was appointed as Additional Director to this Annual General Meeting. He is not a director in any other company other than in this company. His appointment is being placed for approval as Director.

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 co-operation on the operational performances.

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 31.03.2005, 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 31.03.2005 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 concern 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) 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 and others.

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 are also grateful to SIPCOT, Canara Bank and other Institutions for all assistance rendered to the company.

Your Directors thank the Shareholders for their continued support and co-operation.

By order of the Board,

Place : Chennai – 4

Date : 30.08.2005

SYED MEERAN

Director

M.S. SETHURAMAN

Director

Kamar Chemicals & Industries Ltd.

REPORT ON CORPORATE GOVERNANCE

Kamar Management is following corporate Governance 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 Shri M S Sethuraman and Shri M J Saifudeen – Directors.

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

Six Board Meetings were held during the year 2004-2005. The dates on which the meetings were held are 30.04.2004, 31.07.2004, 30.08.2004, 27.10.2004, 05.11.2004 & 31.01.2005.

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 advances 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
Smt Nishat Meeran	Director	3	No
Shri M S Sethuraman	Director	5	Yes
Shri M J Saifudeen	Director	2	No

NOTE: Smt Nishat Meeran is resigned from the Board on 05.11.2004 and Shri M J Saifudeen was appointed as a Director from 05.11.2004.

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 1st April 2002 and comprises of the following: -

1. Shri M S Sethuraman
2. Shri M J Saifudeen

Shri M J Saifudeen has been appointed in the Audit Committee from 05.11.2004.

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. The dates on which the meetings were held are 28.07.2004, 25.09.2004, 29.01.2005, 27.04.2005 and 26.08.2005. No remuneration is paid to the committee members as the Company is incurring losses.

SHAREHOLDERS/INVESTORS GRIEVANCE COMMITTEES

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

Shri M S Sethuraman

Shri M J Saifudeen

Shri M S Sethuraman was appointed as Director for Shareholders Grievance Committee from 01.10.2003.

The committee functions under the chairmanship of Shri M J Saifudeen. During the year 5 Meetings were held .The dates on which the meetings were held are 15.06.2004, 30.08.2004, 21.09.2004, 20.12.2004, 08.03.2005, and were attended by all 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 2004-2005, 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 31.03.2005 a total of 1050205 Shares of the Company, which constitutes 26.06% of the share capital of the Company, stand dematerialized and 602 shareholders are holding shares in the dematerialized form.

Kamar Chemicals & Industries Ltd. _____

DISCLOSURES

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

There has been no non compliance, penalties or strictures imposed on the Company by the Stock Exchanges, SEBI or any other statutory authority on matter relating to capital market during the last three years.

ANNUAL GENERAL MEETINGS

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

AGM for the Year ended	Date	Time	Venue of AGM
31.03.2004	29.09.2004	2.45 P.M.	Narada Gana Sabha Trust (Mini Hall) 314 T T K Road Chennai – 600 018
31.03.2003	26.09.2003	2.45 P.M.	- do -
31.03.2002	30.09.2002	2.30 P.M.	- do -

QUATERLY RESULTS

The quarterly results (Unaudited financial results) are published in News Today and Malai Chudhar. These results are not send individually to the shareholders

GENERAL SHAREHOLDERS INFORMATION

AGM : DATE : Time and Venue	29.09.05 at 2.45 P.M Narada Gana Sabha Trust (Mini Hall) 314 (Old No.254) T T K Road Chennai – 600 018
Financial Calendar	April to March
Date of Book Closure	22.09.05 to 29. 09.05 (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 Collage Panjarapole Ahmedabad – 380 015

Kamar Chemicals & Industries Ltd.

	The Stock Exchange – Mumbai Phiroze Jeejeebhoy Towers Dalal Street Mumbai – 400 001
Demat ISINNO for CDSL and NSDL	INE728D01012
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 2004-2005 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

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