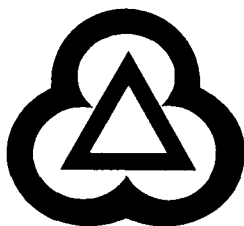


# **Kamar Chemicals & Industries Limited**



**Thirtieth Annual Report  
2011 - 2012**



## **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**

**INDIAN BANK  
48, Luz Church Road  
East Abhiramapuram  
Chennai – 600 004.**

### **AUDITORS**

**M/s. NATRAJ ASSOCIATES  
Chartered Accountants  
288, T T K Road, Alwarpet,  
Chennai – 600 018.**

### **REGISTERED OFFICE**

**T C P Sapthagiri Bhavan,  
II<sup>nd</sup> Floor,  
4 (Old No.10), Karpagambal Nagar,  
Mylapore,  
Chennai – 600 004.**

**Listed at Madras, Mumbai &  
Ahmedabad Stock Exchanges**

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## **30th Annual Report 2011-2012**

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

NOTICE is hereby given that the Thirtieth Annual General Meeting of the members of the Company will be held on Wednesday the 26<sup>th</sup> September, 2012 at Narada Gana Sabha Trust (Sathguru Gnanananda Mini Hall), 314 (Old No.254) T T K Road, Chennai – 600 018 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<sup>st</sup> March, 2012 the Profit & Loss Account for the year ended 31<sup>st</sup> March, 2012 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 himself for reelection as a Director.
3. To appoint the Auditors and fix their remuneration.

By Order of the Board,

Place : Chennai - 600 004

Date : 16<sup>th</sup> August, 2012

**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 members and Share Transfer books of the Company will remain closed from 19<sup>th</sup> day of September, 2012 to 26<sup>th</sup> day of September, 2012 (Both days inclusive).
- 4) Members are requested to bring the Annual Report to the meeting.

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## **Kamar Chemicals & Industries Ltd.**

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### **DIRECTOR'S REPORT**

Your directors present their Annual Report with the audited statements of accounts for the year ended 31<sup>st</sup> March, 2012.

### **FINANCIAL RESULTS**

The financial results for the year ended 31<sup>st</sup> March, 2012 as compared with the previous years are as follows:-

(Rs. In Lakhs)

	Year ended 31-03-2012	Year ended 31-03-2011
Profit/(loss) after Depreciation but before tax	(7.40)	(14.95)
Provision for taxation	—	—
Profit/(Loss) after tax	(7.40)	(14.95)
Profit/(Loss) brought forward from last year	(2382.76)	(2367.81)
Balance Carried to Balance Sheet	(2390.16)	(2382.76)

### **OPERATIONS**

Your Company did not carry out any operation during the year.

### **DIVIDEND**

Since the Company has accumulated losses the directors do not recommend dividend for the year.

### **TAKEOVER OF ASSETS BY SIPCOT**

Your Company had committed default in repayment of dues to SIPCOT for an amount of Rs.10.56 Crores. Consequent to the default, SIPCOT took symbolic possession of the Land and Building and Plant and Machinery of the Company under section 29 of the State Financial Corporation Act, on 15-12-2003, and pursuant to the Order passed by the High Court of Madras, brought it for Auction Sale for realisation of its dues on "as-is-where-is" basis and on going concern concept. SIPCOT invited Tenders for the sale of the assets, by Advertisements. SIPCOT had allotted the auctioned assets to a Company "Nagoorar Enterprises Private Ltd., Chennai" who were the successful bidder. SIPCOT, vide its letter dated 07-05-2007, has intimated the said Nagoorar Enterprises Private Ltd of its approval to transfer of the land measuring 8.85 acres at SIPCOT Industrial Complex, Ranipet, originally allotted to Kamar Chemicals & Industries Ltd and the sale of building and Plant and machinery for a total sale consideration of Rs.285 lakhs. Further, on 6<sup>th</sup> November 2007, the fixed assets, including Land, of the Chemical Plant has been handed over in running /as-is-where-is condition and on going concern concept to SIPCOT, which, in turn, was handed over to Nagoorar Enterprises Private Ltd., who were the successful bidder. The liabilities of the company were not transferred.

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## **30th Annual Report 2011-2012**

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### **OBSERVATIONS IN AUDIT REPORT - COMMENTS**

Since the SIPCOT has taken over the Assets of the Company and sold them by Open Tender for recovery of its dues, the Company is not in a position to recommence its production and carry on business activity in order to earn profit. The Management is exploring the possibilities of carrying on some business in accordance with its object clause.

### **FIXED DEPOSIT**

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

### **DIRECTORS**

Shri M S Sethuraman, Director, retires by rotation and being eligible, offers himself 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.

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.5,00,000 per month or Rs.60,00,000/- 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 Annual accounts for the year-ended 31<sup>st</sup> March, 2012 the applicable Accounting Standards had been followed along with proper explanation relating to material departures, if any.
2. The directors had selected such accounting policies and had 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 as at the end of the financial year ended 31<sup>st</sup> March, 2012 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 the assets of the company and for preventing and detecting frauds and other irregularities.
4. The directors had prepared the annual accounts on a going concern basis.

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***Kamar Chemicals & Industries Ltd.***

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**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 with.

The Report on Corporate Governance is presented separately after the annexure to the Directors Report relating to conservation of energy and others and forms part of the Annual Report.

**ACKNOWLEDGEMENT**

Your Directors are thankful to the employees, suppliers, customers and Nagoorar Enterprises Private Ltd for their support. Your Directors are also thankful to Indian Bank and other Institutions for all assistance rendered to the company.

Your Directors thank the Shareholders for their continued support.

By order of the Board,

Place : Chennai - 600 004

Date : 16<sup>th</sup> August, 2012

**SYED MEERAN**

*Director*

**M S SETHURAMAN**

*Director*

**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 Directors Report for the year ended 31<sup>st</sup> March, 2012.

**1. CONSERVATION OF ENERGY**

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

	Year ended 31-03-2012	Year ended 31-03-2011
<b>A. POWER AND FUEL CONSUMPTION</b>		
<b>I. ELECTRICITY</b>		
a. Purchases – Unit (KWH)		
Total Amount (Rs.)	NIL	NIL
Rate/Unit (Rs.)		
b. Own Generation		
Through Diesel Generator 310 KVA Unit (KWH)		
Unit per liter of Diesel Oil	NIL	NIL
Cost of Diesel per KWH (Rs.)		
<b>B. CONSUMPTION PER UNIT OF PRODUCTION (UNITS PER MT)</b>		
<b>Products:</b>		
Sulphuric Acid & Oleum, Alum, and other co products		
Electricity (KWH)	NIL	NIL
<b>2. RESEARCH AND DEVELOPMENT TECHNOLOGY ABSORPTION</b>		
<b>A. TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION</b>		
Our Engineers are constantly and continuously engaged in formulating operating methods to reduce power, fuel oil, raw materials consumption etc.		
<b>B. FOREIGN EXCHANGE EARNING AND OUTGO</b>		
There has been no export of Commodities during the year and no import of Goods or machinery by the company and hence there is no expense or income in foreign currency.		

By order of the Board,

Place : Chennai - 600 004

Date : 16<sup>th</sup> August, 2012

**SYED MEERAN**

*Director*

**M S SETHURAMAN**

*Director*

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## **Kamar Chemicals & Industries Ltd.**

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### **REPORT ON CORPORATE GOVERNANCE (Pursuant to Clause 49 of the Listing Agreement)**

#### **BOARD OF DIRECTORS**

The present strength of the Board is three. Shri Syed Meeran is in charge of affairs of the Company and Shri M S Sethuraman and Shri M J Saifudeen are other Directors.

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

Four Board Meetings were held during the year 2011-2012. The dates on which the meetings were held are 29-04-2011, 29-07-2011, 31-10-2011 & 31-01-2012.

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	4	Yes
Shri M S Sethuraman	Director	4	Yes
Shri M J Saifudeen	Director	4	No

No remuneration was paid to the directors for attending the Board Meetings.

#### **CODE OF CONDUCT**

Pursuant to requirement SEBI (Prohibition of Insider Trading) Regulations 1992 as amended, the Company has adopted a code of conduct duly approved by the Board.

#### **REMUNERATION TO DIRECTORS**

As the Company has accumulated 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. Shri M S Sethuraman - Chairman
2. Shri M J Saifudeen
3. Shri Syed Meeran



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### **30th Annual Report 2011-2012**

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The terms of reference of the committee covers broad 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 four 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 29-04-2011, 29-07-2011, 31-10-2011 & 31-01-2012. No remuneration was paid to the committee members.

#### **REMUNERATION COMMITTEE**

There is no remuneration committee.