

Kamar Chemicals & Industries Limited



**Thirty First Annual Report
2012 - 2013**



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
IInd Floor
4 (Old No.10), Karpagambal Nagar
Mylapore
Chennai – 600 004.

Listed at Madras, Mumbai &
Ahmedabad Stock Exchanges

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

NOTICE is hereby given that the Thirty First Annual General Meeting of the members of the Company will be held on Thursday the 26th September, 2013 at Narada Gana Sabha Trust (Sathguru Gnanananda Mini Hall), 314, (Old No.254), T T K Road, Chennai - 600 018 at 11.30 AM to transact the following business:-

ORDINARY BUSINESS

1. To receive and consider and adopt the audited Balance Sheet of the Company as at 31st March, 2013 the Profit & Loss Account for the year ended 31st March, 2013 together with the Report of the Directors and Auditors thereon.
2. To elect a Director in place of Shri M J Saifudeen 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 : 29-05-2013

SYED MEERAN

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 19th day of September, 2013 to 26th day of September, 2013 (Both days inclusive).
- 4) Members are requested to bring the Annual Report to the meeting.

Kamar Chemicals & Industries Ltd.

DIRECTOR'S REPORT

Your directors present their Annual Report with the audited statements of accounts for the year ended 31st March, 2013.

FINANCIAL RESULTS

The financial results for the year ended 31st March, 2013 as compared with the previous years are as follows:-

	(Rs. in Lakhs)	
	Year ended 31-03-2013	Year ended 31-03-2012
Profit/(loss) after Depreciation but before tax	(21.09)	(7.40)
Provision for taxation	—	—
Profit/(Loss) after tax	(21.09)	(7.40)
Profit/(Loss) brought forward from last year	(2390.16)	(2382.76)
Balance Carried to Balance Sheet	(2411.25)	(2390.16)

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 6th 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.

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 J Saifudeen, 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 31st March,2013 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 31st March, 2013 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.

Kamar Chemicals & Industries Ltd.

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 : 29-05-2013

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 31st March, 2013.

1. CONSERVATION OF ENERGY

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

	Year ended 31-03-2013	Year ended 31-03-2012
A. POWER AND FUEL CONSUMPTION		
I. ELECTRICITY		
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. CONSUMPTION PER UNIT OF PRODUCTION (UNITS PER MT)		
Products:		
Sulphuric Acid & Oleum, Alum, and other co products		
Electricity (KWH)	NIL	NIL
2. RESEARCH AND DEVELOPMENT TECHNOLOGY ABSORPTION		
A. TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION		
Our Engineers are constantly and continuously engaged in formulating operating methods to reduce power, fuel oil, raw materials consumption etc.		
B. FOREIGN EXCHANGE EARNING AND OUTGO		
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 : 29-05-2013

SYED MEERAN

Director

M S SETHURAMAN

Director

Kamar Chemicals & Industries Ltd.

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.

Five Board Meetings were held during the year 2012-2013. The dates on which the meetings were held are 30-04-2012, 31-07-2012, 16-08-2012, 30-10-2012 & 31-01-2013.

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 M S Sethuraman	Director	5	Yes
Shri M J Saifudeen	Director	5	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 1st 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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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 five meetings of Audit committee during the year and were attended by all members of the committee. The dates on which the meetings were held are 30-04-2012, 31-07-2012, 16-08-2012, 30-10-2012 & 31-01-2013. No remuneration was paid to the committee members.

REMUNERATION COMMITTEE

There is no remuneration committee.