

# ACME RESOURCES LIMITED

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**20<sup>th</sup>**  
**Annual Report**  
**2004 - 2005**

# ACME RESOURCES LIMITED

## 20<sup>th</sup> Annual Report 2004 - 2005

### **BOARD OF DIRECTORS**

PRABHAT KUMAR JAIN, *Managing Director*

SANDEEP DEY

NIRAJ PRAKASH KHETAN

SHYAM SUNDER CHATTERJEE

### **SECRETARY**

AMITAVA DAS

### **AUDITORS**

H. R. AGARWAL & ASSOCIATES

*Chartered Accountants*

### **BANKERS**

CANARA BANK

THE HONGKONG & SHANGHAI BANKING CORPN. LTD.

### **REGISTERED OFFICE**

1, CROOKED LANE

ROOM NO. 107

KOLKATA - 700 069

## NOTICE

**NOTICE** is hereby given that the 20th Annual General Meeting of the Members of **ACME RESOURCES LIMITED** will be held at the Registered Office at 1, Crooked Lane, R. No. 107, Kolkata - 700 069 on Friday, the 16th September, 2005 at 1.00 P.M. to transact the following business :-

### GENERAL BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2005 and Profit & Loss Account for the year ended on that date together with the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Shri Shyam Sunder Chatterjee, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Auditors of the Company and to fix their remuneration.

### SPECIAL BUSINESS

4. To consider and if thought fit, to pass with or without any modification, the following Resolution as Ordinary Resolution :

**"RESOLVED THAT** Shri Niraj Prakash Khetan, who was appointed as an Additional Director at the meeting of the Board of Directors of the Company held on 14th February, 2005 and who holds office in terms of Section 260 of the Companies Act, 1956, upto the date of this Annual General Meeting of the Company and in respect of whom the Company has received a notice from a member under Section 257 of the Companies Act, 1956, signifying his intention to propose Shri Niraj Prakash Khetan as a candidate for the office of Director of the Company, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

5. To consider and if thought fit, to pass with or without any modification, the following Resolution as Ordinary Resolution :

**"RESOLVED THAT** pursuant to Sections 269, 309 & 311 and other applicable provisions, if any, of the Companies Act, 1956, the Company hereby approves of the re-appointment and terms of remuneration of Shri Prabhat Kumar Jain, Managing Director of the Company, on non-retiring basis for further period of five years with effect from 1st March, 2005 as per the terms and conditions set out in the draft agreement submitted to this meeting and for identification signed by a director thereof, which agreement is hereby specially sanctioned with liberty to the Director to alter and vary the terms and conditions of the said re-appointment and/or agreement in such manner as may be agreed to between the Directors and Shri Prabhat Kumar Jain."

*Registered Office :*

1, Crooked Lane, R. No. 107,  
Kolkata - 700 069

Dated : The 29th day of June, 2005

By Order of the Board

**AMITAVA DAS**

*Company Secretary*

**NOTES :**

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING, IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE (IN CASE OF A POLL) INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE TIME FIXED FOR THE MEETING.
2. The Register of Beneficial Owners, Register of Members and the share transfer books of the Company will remain closed from 13th September, 2005 to 16th September, 2005 (both days inclusive).
3. Members are requested to notify immediately any change in their addresses to the Registrar and Transfer Agent M/s. Maheshwari Datamatics Pvt. Ltd., 6, Mangoe Lane, 2nd Floor, Kolkata - 700 001.
4. Shareholders seeking any information with regard to Accounts are requested to write to the Company at an early date so as to enable the management to keep the information ready.

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### **EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956**

**ITEM NO. 4**

Shri Niraj Prakash Khetan was appointed as an Additional Director of the Company by the Board of Directors with effect from 14th February, 2005 under Section 260 of the Companies Act, 1956. Shri Niraj Prakash Khetan continues to hold office as a Director until the conclusion of the ensuing Annual General Meeting. However, as required under Section 257 of the Companies Act, 1956, the Company has received a notice from a member signifying his intention to propose Shri Niraj Prakash Khetan as a candidate for the office of Director of the Company and the requisite deposit of Rs. 500/- has also been received by the Company along with such notice. It is proposed that Shri Niraj Prakash Khetan will be liable to retire by rotation.

The Board is of the view that Shri Niraj Prakash Khetan's knowledge and experience will be of immense benefit and value to the Company and therefore, recommends his appointment to the shareholders.

None of the Directors, except Shri Niraj Prakash Khetan is, in any way, concerned or interested in the aforesaid resolution.

**ITEM NO. 5**

Shri Prabhat Kumar Jain was re-appointed as Managing Director of the Company on non-retiring basis by the Board of Directors with effect from 1st March, 2005 in accordance to Section 269, 309 & 311 and other applicable provisions, if any, of the Companies Act, 1956.

The Board is of the view that Shri Prabhat Kumar Jain's knowledge and experience is immensely beneficial and valuable to the Company and therefore, recommends his re-appointment to the shareholders.

The draft agreement between the Company and Shri Prabhat Kumar Jain as Managing Director contains the following terms and conditions :

1. **Period of Agreement :** 5 years with effect from 1st March, 2005.

**2. Nature of Powers & Duties :**

- i) The Managing Director shall carry out such duties as may be entrusted to them, subject to the supervision and control of the Board of Directors.
- ii) The Managing Director shall be entitled to the management and control of the Board of Directors.
- iii) The Managing Director shall be entitled to invest funds of the Company as he will think fit subject to the ceiling and limitations stipulated by the Board of Directors from time to time.
- iv) The Managing Director may from time to time raise or borrow any sums of money for and on behalf of the Company subject to the limitation stipulated by the Board of Directors of the Company and subject to the provisions of Section 292 of the Companies Act, 1956.
- v) The Managing Director shall have the power of engaging and dismissing of Executive, Assistants, Clerks, Servants and other employees as required for and engaged by the Company.

**Remuneration :**

1. **Salary :** The Managing Director is entitled to salary of Rs. 10,000/- per month. The annual increments in the salary will be effective from 1st April every year thereafter as the Board or the Committee of Directors may decide.
2. **Perquisites :** In addition to the salary, the Managing Director is also entitled to perquisites and allowances :
  - i) Maintenance charges for the self occupied premises owned by the Managing Director on actual basis but not exceeding 60% of the Salary.
  - ii) Electricity charges for the residential house occupied by the Managing Director.
  - iii) Contribution to PF, Superannuation Fund or Annuity Fund to the extent not taxable under the Income Tax Act, 1961.
  - iv) Gratuity at a rate not exceeding half a month's salary for each completed year of service subject to maximum amount permissible under Payment of Gratuity Act, 1972.
  - v) Leave Travel Concession once in year for self and family.
  - vi) Medical Expenses reimbursement for self and the family subject to 1 month's salary in a year or 3 month's salary over a period of 3 years.
  - vii) Club Fees, other than admission & life membership fees, subject to maximum of 2 clubs.
  - viii) Accident Insurance Policy subject to premium of Rs. 4,000/- per annum.
  - ix) Provision of Car for office use and telephone at residence other than long distance personal calls.
3. The Managing Director in addition to receiving such remuneration shall also be entitled to reimbursed of out of pocket expenses incurred by him in discharging duties on behalf of the company. However Managing Director shall not be paid any sitting fees for attending the meeting of the Board of Directors or Committee.

**Registered Office :**

1, Crooked Lane, R. No. 107,  
Kolkata - 700 069

Dated : The 29th day of June, 2005

By Order of the Board

**AMITAVA DAS**

Company Secretary

## DETAILS OF DIRECTORS SEEKING APPOINTMENT / RE-APPOINTMENT IN FORTHCOMING ANNUAL GENERAL MEETING

(In pursuance of Clause 49 of the Listing Agreement)

Name of Director	Shri Prabhat Kumar Jain	Shri Shyam Sunder Chatterjee	Shri Niraj Prakash Khetan
Date of Birth	12.06.1975	03.01.1969	01.03.1978
Date of Appointment	01.03.2000	16.06.2003	14.02.2005
Expertise in specific functional areas	Rich experience and knowledge in the field of finance, accounting and various function levels	Rich experience and knowledge in the field of finance, accounting & HR.	Rich experience in the field of finance
Qualification	B. Com	B. Com	B. Com
List of Companies in which outside Directorship held as on 31st March, 2005	Blue Chip India Ltd., Globe Soya Products Ltd., Rangbarshi Projects Ltd., Sapience Commodities Ltd.	Twenty First Century (India) Ltd., Amluckie Investment Co. Ltd., Bahubali Properties Ltd., Deepmala Dealers Ltd., Dhansafal Vyapaar Pvt. Ltd., Navitex Marketing Pvt. Ltd., Anu Agro Pvt. Ltd., Radico Trading Ltd., Saltlake Vyapaar Ltd., Sapience Commodities Ltd., Sargam Tradelink Pvt. Ltd., Ellora International Ltd., Thunder Traders Ltd., Bullpower Vyapaar Ltd.	Bhairav Tradelink Ltd., Celeste Merchandise Ltd., Divya Dealers Ltd., Saltlake Vyapar Ltd., Herald Commerce Ltd.
Chairman/Member of the Committees of the Board of the Company	NIL	Chairman - Share Transfer Committee	Member - Audit Committee Member - Share Transfer Committee

## DIRECTORS' REPORT

Dear Shareholders,

Your Directors have pleasure in presenting the 20th Annual Report together with the Audited Accounts of the Company for the year ended 31st March, 2005, along with the Auditor's Report thereon.

### 1. FINANCIAL RESULTS

The Financial results of the Company for the year ended 31st March, 2005 are summarized below :

	Year ended 31.03.2005 (Rs.)	Year ended 31.03.2004 (Rs.)
Profit/(Loss) before Taxation	1,95,18,833.50	1,62,68,483.64
Less : Provision for Taxation - Current Tax	14,95,801.00	12,50,639.00
- Deferred Tax	67,83,714.00	58,36,318.00
Profit/(Loss) after Taxation	1,12,39,318.50	91,81,526.64
Less : Transfer to Statutory Reserve Fund	22,47,864.00	18,36,305.00
Add : Balance brought forward from previous year	(1,83,15,998.09)	(2,56,61,219.73)
Balance carried to Balance Sheet	(93,24,543.59)	(1,83,15,998.09)

### 2. DIVIDEND

In view of brought forward losses, your Directors have decided not to recommend any dividend for the year.

### 3. OPERATIONS

The performance of the Company during the current year is satisfactory in comparison to previous year. Your Directors are making all efforts to improve the performance of the Company further in coming year.

### 4. DIRECTORS

Shri Niraj Prakash Khetan was appointed as an Additional Director of the Company with effect from 14th February, 2005 and he vacates office at the conclusion of ensuing Annual General Meeting. The Company has received a notice from a shareholder proposing him as a Director of the Company.

Shri Pankaj Kumar Jain, submitted his resignation and same was accepted by the Board with effect from 15th February, 2005. The Board places on record its appreciation for the services rendered by him during the tenure of his Directorship with the Company.

Shri Shyam Sunder Chatterjee, retires by rotation and being eligible, offers himself for re-appointment.

Shri Prabhat Kumar Jain was re-appointed as Managing Director of the Company for a further period of five years with effect from 1st March, 2005 subject to the approval of members in the General Meeting of the Company.

## 5. DIRECTOR'S RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 217 (2AA) of the Companies Act, 1956, with respect to Director's Responsibility Statement, it is hereby confirmed :

- i) that in the preparation of the annual accounts for the financial year ended 31st March, 2005, the applicable accounting standards have been followed along with proper explanation relating to material departures ;
- ii) that the Directors had selected such accounting policies and applied them consistently and made judgements and estimates that were 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 and of the profit of the Company for the year under review ;
- iii) that the Directors had taken proper and sufficient care for the 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 fraud and other irregularities ;
- iv) that the Directors had prepared the accounts for the financial year ended 31st March, 2005 on a going concern basis.

## 6. AUDITORS REPORT

The Notes on Accounts as per Schedule - "P" referred into Auditor's Report are self-explanatory and hence do not require any further clarifications.

## 7. AUDITORS

H. R. Agarwal & Associates, Chartered Accountants, hold the office till the conclusion of this Annual General Meeting and being eligible, offer themselves for re-appointment. Your Directors recommend their re-appointment.

## 8. PERSONNEL

As per the requirements of section 217(2A) of the Companies Act, 1956, none of the employees were in receipt of remuneration in aggregate of Rs. 24,00,000/- for the whole year or Rs. 2,00,000/- P.M. for part of the year under review.



**9. STATUTORY INFORMATION**

The Company being basically in the financial sector, requirement regarding the disclosures of particulars of conservation of energy and technology absorption prescribed by the rules is not applicable.

**10. FOREIGN EXCHANGE**

The Company has had no foreign exchange outflow or inflow during the year under review.

**11. CORPORATE GOVERNANCE**

Pursuant to Clause 49 of the Listing Agreement, a report on Corporate Governance is given in Annexure - 'A'.

**12. EMPLOYER EMPLOYEE RELATIONSHIP**

The Company maintained a cordial relationship with its employees which resulted in smooth flow of business operations during the period under review.

**13. ACKNOWLEDGEMENTS**

Your Directors acknowledge the support and owe a debt of gratitude to the Shareholders, Investors & Bankers. Your Directors are also thankful to its clients for their continued faith and support reposed in us. Last but not the least, your directors place on record their sense of appreciation of the valuable contribution made by the employees of the Company.

**Registered Office :**

1, Crooked Lane  
Room No. 107,  
Kolkata - 700 069

**Dated : The 29th day of June, 2005**

**On behalf of the Board**

**Prabhat Kumar Jain**  
*Managing Director*

**Shyam Sunder Chatterjee**  
*Director*

## ANNEXURE "A"

**REPORT ON CORPORATE GOVERNANCE**

The Directors present the Company's report on Corporate Governance :

**1. CORPORATE GOVERNANCE**

Effective Corporate Governance has always been an integral part of the Company's business philosophy. The Company lays lot of importance to issues of Corporate Governance in order to bring in transparency and to increase the stakeholders' wealth. It is the firm belief of the Company that good corporate governance should be an internally driven need and not only compliance of the statutory requirements.

**2. BOARD OF DIRECTORS****(a) Composition of the Board**

The Composition of the Board of Directors of the Company consists of qualified executive and non executive directors. The Board is based and comprises of persons who have excelled in their respective areas having good standing.

The composition of the Board of Directors during the financial year ending 31.03.2005, was as follows :

Sr. No.	Name of Director	Executive/ Non-Executive	No. of other		
			Directorships*	Committee**	
				Chairman	Member
1	Sri Prabhat Kumar Jain - M.D.	Executive	4	2	4
2	Sri Sandeep Dey	Non-Executive	7	1	1
3	Sri Pankaj Kumar Jain *	Non-Executive	—	—	—
4	Sri S. S. Chatterjee	Non-Executive	10	1	3
5	Sri Niraj Prakash Khetan **	Non-Executive	5	—	—

\* Excluding Directorship held in Private Limited / Foreign Companies and companies incorporated under Section 25 of the Companies Act, 1956.

\*\* Represents Chairmanship / Membership of the Audit Committee, Compensation Committee and Shareholders' / Investors' Grievance Committee of other Companies.

**(b) Changes in the composition of the Board of Directors since the last Annual General Meeting :**

Sri Niraj Prakash Khetan was appointed as a Director of the Company with effect from 14th February, 2005 while Sri Pankaj Kumar Jain resigned from the Board of Directors on 15th February, 2005.

**(c) Details of sitting fees, remuneration etc. paid to Directors :**

No remuneration was paid to any director during the year.

**(d) Board Meetings held in the Financial Year 2004-2005 and attendance of Directors :**

The Board meets at least once in a quarter to consider amongst other business, the quarterly