



BOARD OF DIRECTORS : MR. SURAJ RATAN MUNDHRA
Chairman & Managing Director
MR. BIMAL KUMAR GHOSE
MR. UJJWAL BANERJEE

COMPANY SECRETARY : MR. GOPAL AGARWAL

REGISTERED OFFICE : 13, Camac Street
Kolkata-700 017

AUDITORS : M/S. L. B. JHA & CO.
Chartered Accountants

BANKERS : UCO Bank
Allahabad Bank

WORKS : 1. Rampur, P.O. Govindapur
Budge Budge Trunk Road
24 Parganas
2. 47, Hide Road Extension
Kolkata - 700 088

INSTALLATION : 134, M.G. Road
Budge Budge
24 Parganas



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NOTICE of Annual General Meeting

Notice is hereby given that the forty third Annual General Meeting of Allied Resins & Chemicals Ltd. will be held on Monday, the 30th day of September, 2002 at 10.30 a.m. at its Registered Office at 13, Camac Street, Kolkata 700 017 to transact the following business :

ORDINARY BUSINESS :

1. To receive, consider and adopt the Profit & Loss Account for the year ended 31st March, 2002, the Balance Sheet as on that date and the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Ujjwal Banerjee, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint Auditors and fix their remuneration.

Regd. Office :
13, Camac Street
Kolkata - 700 017
Dated : The 31st day of August, 2002

By Order of the Board

GOPAL AGARWAL
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 HIS STEAD AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. The Proxy Form, duly completed, must reach the Registered Office of the Company not less than 48 hours before the commencement of the meeting.
3. The Register of members and the share transfer books shall remain closed from 27th September, 2002 to 30th September, 2002 (both days inclusive).
4. Members/proxies should bring the attendance slip duly filled in for attending the meeting.



DIRECTORS' REPORT

Your Directors have pleasure in placing before you the 43rd Annual Report and Audited Accounts of the Company for the financial year ended 31st March, 2002.

(Rs. in Lacs)

	2001-2002	2000-2001
1. FINANCIAL RESULTS		
Total Income	2,087.28	2,143.87
Operating Profit / (Loss)	(287.28)	(454.57)
Interest	3,343.94	2,770.26
Depreciation	442.89	442.44
Profit / (Loss) before Tax	(4,074.11)	(3,667.27)
Profit after Tax	(4,074.11)	(3,667.27)
Profit / (Loss) brought forward	(10,540.27)	(9,797.78)
	(14,614.38)	(13,465.05)

2. PERFORMANCE OF THE COMPANY :

The Company is continuing to incur operating losses because of low capacity utilisation due to shortage of working capital. However, the operating loss in the year has been reduced to a great extent due to the cost cutting measures taken by management. There has been moderate reduction in the turnover of the company but there has been improvement in the export sales.

3. REHABILITATION :

The Hon'ble Calcutta High Court disposed of the writ petition of the company by directing the BIFR to give a hearing to the contentions of the company without being prejudiced by the earlier orders of BIFR and AAIFR. BIFR in its hearing held on 28th May, 2002 directed the company to submit a fresh proposal with a deposit of Rs. 10 crores with the Operating Agency within 4 weeks. Since the company did not deposit the said sum with the Operating Agency, the BIFR has formed a *prima facie* opinion that it is just and equitable that the company should be wound up and BIFR accordingly has also published a newspaper notice. The next date of hearing has been fixed by BIFR on 16th October, 2002. The company has preferred a writ petition before the Kolkata High Court against the BIFR's order of 28th May, 2002.

4. FUTURE PROSPECTS :

During the year under review, the company has achieved good export turnover. The products of the company are having good export market. In the current financial year the company has already achieved an export

**DIRECTORS' REPORT** (Contd.)

- turnover of Rs. 263.40 lacs as on date and the directors feel that the company will be able to survive and revive on its own given the required working capital support.
5. **FIXED DEPOSITS :**
During the year, the company has not accepted any fresh fixed deposit from public at large.
 6. **DIRECTORS :**
Mr. Ujjal Banerjee retires by rotation and being eligible, offers himself for re-appointment.
 7. **HUMAN RESOURCES :**
Your company despite the disquieting situation has tried its best to look after and maintain its human resources - all of whom have provided unflinching support to the Management.
 8. **AUDITORS' REPORT :**
The Auditors' observations are self-explanatory and are suitably explained in the notes on the accounts.
 9. **AUDITORS :**
The Auditors M/s. L. B. Jha & Co, Chartered Accountants retire at the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment.
 10. **INFORMATION PURSUANT TO SECTION 217 OF THE COMPANIES ACT, 1956 :**
Information pursuant to Section 217(2-A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 is not applicable. Informations pursuant to Section 217(1)(e) of the said Act, read with the Companies (Disclosure of particulars in the report of Board of Directors) Rules, 1988 form part of this Report. However, as per the provisions of Section 219(1)(b)(iv) of the Companies Act, 1956, the Report and Accounts are being sent to all the shareholders of the Company, excluding the aforesaid information - which can be available at the Registered Office for inspection by the interested shareholders.
 11. **DIRECTORS' RESPONSIBILITY STATEMENT :**
Pursuant to the provisions of Sub-section (2AA) of the Section 217 of the Companies Act, 1956, your directors confirm :
 1. that in the preparation of the Annual Accounts, the applicable accounting standard have been followed to the extent possible alongwith proper explanation relating to material departures;
 2. that the Directors have selected 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 as on 31st March, 2002 and of the profit of the Company for that period;

**DIRECTORS' REPORT** (Contd.)

3. that the Directors have 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; and
 4. that the directors have prepared the annual accounts on a going concern basis.
12. **APPRECIATION :**
Your Directors place on record their appreciation for the continued support from all the Shareholders, Customers, Suppliers, Banks, Financial Institutions and above all, the dedicated workforce, who have made themselves fully committed for the company's revival.

13, Camac Street
Kolkata-700 017
Date : 31st August, 2002

For and on behalf of the Board

S. R. MUNDHRA
Chairman & Managing Director





AUDITORS' REPORT

To the Members of
ALLIED RESINS & CHEMICALS LTD.

We have audited the attached Balance Sheet of Allied Resins & Chemicals Limited as at 31st March, 2002 and the Profit & Loss Account for the year ended on that signed by us under reference to this report. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We report as follows :

- A. As required by the Manufacturing and Other Companies (Auditors' Report) Order, 1988 issued by the Company Law Board in terms of Section 227(4A) of the Companies Act, 1956, we enclose in a Annexure a Statement of the matters specified in the said order.
- B. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standard require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
- C. Further to our comments in the Annexure referred to in paragraph 'A' above, we report that :
 1. We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit.
 2. In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of the books.
 3. The Balance Sheet and Profit & Loss Account dealt with in this report are in agreement with the books of account.
 4. We report that the company has failed to repay its deposits and interest thereon on due dates and also failed to redeem its debentures on due date and such failure continues for one year as on 31st March, 2002, therefore, all the directors are disqualified from being appointed as director of other public Companies as on 31st March, 2002 in terms of clause (g) of sub-section (1) of Section 274 of the Companies (Amendment Act), 2000.
 5. In our opinion, the Balance Sheet and the Profit & Loss Account comply with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956 except that Accounting Standard 15 regarding treatment of Gratuity [Refer Note No. A(9) of Schedule 17], has not been complied with.
 6. In our opinion and to the best of our information and according to the explanations given to us, the said accounts, subject to —
 - i. Non-provision of Rs. 4,16,414/- due to diminution in the value of investment from market price and cost price;
 - ii. Non-availability of confirmations and provision of interest in the case of secured loans [Refer Note No. B(7) of Schedule 17];
 - iii. Non-availability of confirmations in respect of sundry creditors, sundry debtors, loans and advances and unsecured loan and non-provision of interest in the case of some of the unsecured loans [Refer Note No. B(8) of Schedule 17];
 - iv. Non-availability of Certain Bank Statements/Balance Confirmations in respect of certain bank accounts [Refer Note No. B(9) of Schedule 17];
 and together with notes thereon, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view :
 - (a) in the case of Balance Sheet of the state of affairs of the company as at 31st March, 2002 and
 - (b) in the case of Profit & Loss Account of the Loss of the company for the year ended on that date.

8, Netaji Subhas Road
Kolkata – 700 001
Dated : The 31st August, 2002

For L. B. Jha & CO.
Chartered Accountants
(K. Guhathakurta)
Partner



ANNEXURE to the Auditors' Report

(Statement referred to in paragraph 'A' of our report of even date)

- 1) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets. None of the fixed assets have been physically verified by the management during the year.
- 2) The Fixed Assets of the company have not been revalued during the year.
- 3) The stocks of finished goods, stores and raw materials have been physically verified by the management during the year.
- 4) On the basis of our examination of stock records, the valuation of stock of finished goods, raw materials and stores is fair and proper in accordance with the normally accepted accounting principles.
- 5) The Company has taken loan from limited companies and other parties listed in the register maintained under Section 301 of the Companies Act, 1956. However, terms and conditions of such loans are not prejudicial to the interest of the Company. The provisions of Section 370 are not applicable to the company on or after 31st October, 1998.
- 6) The Company has granted loan, secured or unsecured to company or other parties listed in the Register maintained under Section 301 of the Companies Act, 1956. However, no interest has been charged on such loans.
- 7) In the absence of any stipulation regarding repayment of loans and advances in the nature of loan given to the employees and others, we are unable to comment whether any repayment has been made of the principal and interest during the year.
- 8) In our opinion and according to the information and explanations given to us, the internal control procedures of the company relating to purchase of stores, raw materials including components, plant and machinery, equipment and other assets and for sale of goods are reasonably commensurate with the size of the company and nature of business.
- 9) According to the information and explanations given to us, no transactions which were required to be entered in the Register maintained under Section 301 of the Companies Act, 1956 for purchase of goods and materials, were made during the year.
- 10) The Company has determined unserviceable or damaged raw materials and finished goods and necessary provisions for the loss have been made in the accounts.
- 11) The Company has accepted deposits from the public within the meaning of Section 58A of the Companies Act, 1956 and the rules framed thereunder.
- 12) In our opinion reasonable records have been maintained by the company for the sale and disposal of realisable by-products and scrap.

**ANNEXURE to the Auditors' Report (Contd.)**

- 13) The Company has no internal audit system during the year commensurate to its size and nature of its business.
- 14) We have broadly reviewed the books of account maintained by the Company in respect of the products where, pursuant to the Rules made by the Central Government, the maintenance of cost records has been prescribed under Section 209(1)(d) of the Act. In our opinion, based on the information and explanations given to us, the prescribed accounts and records have been made and maintained by the Company. However, we have not made a detailed examination of the cost records to determine whether they are accurate or complete.
- 15) *The Provident Fund dues have not been regularly deposited with the appropriate authorities and the total of such overdues outstanding as at the end of the year is Rs. 16,97,945/-. The Company is generally regular in depositing Employees' State Insurance dues with the appropriate authority. However, at the year-end overdue amount of Rs. 25,371/- has not been deposited.*
- 16) *There was no undisputed amount payable in respect of Wealth Tax, Excise Duty for a period of more than six months from the date they became payable.*
- 17) In our opinion and according to the information and explanations given to us, no personal expenses have been charged to revenue account.
- 18) *The Company is a Sick Industrial company within the meaning of Section 3(1)(O) of the Sick Industrial Companies (Special Provisions) Act, 1985 and the company has been declared as sick industrial unit by the Board for Industrial and Financial Reconstruction (BIFR).*

8, Netaji Subhas Road
Kolkata - 700 001
Dated : The 31st August, 2002

For L. B. JHA & CO.
Chartered Accountants
(K. GUHATHAKURTA)
Partner