



ALLIED RESINS & CHEMICALS LIMITED

ALLIED RESINS & CHEMICALS LIMITED



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



ALLIED RESINS & CHEMICALS LIMITED

NOTICE of Annual General Meeting

Notice is hereby given that the forty fourth Annual General Meeting of **Allied Resins & Chemicals Ltd.** will be held on Saturday, the 27th day of September, 2003 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, 2003, 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. B. K. Ghose, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint Auditors and fix their remuneration.

SPECIAL BUSINESS :

4. To consider and if thought fit to pass with or without modification the following resolution as a special resolution :

"Resolved that pursuant to Sections 269, 309, 311 and other applicable provisions, if any, of the Companies Act, 1956 and subject to the approval of the Central Govt., if necessary, the Company hereby approves the re-appointment and terms of remuneration of Mr. S.R. Mundhra as Managing Director of the Company for a term of 5 years with effect from 30th July, 2003 upon the terms and conditions set out in the Appointment Letter dated 29th July, 2003 issued in his favour which is hereby specially sanctioned with liberty to the Board of Directors to alter and vary, subject to such approvals as may be required, the terms and conditions of the said re-appointment and the letter in such manner as may be agreed between the Board of Directors and Mr. S.R. Mundhra."
5. To consider and if thought fit to pass with or without modification the following as Special Resolution :

"Resolved that Registered Office of the company be and is hereby shifted from 13, Camac Street, Kolkata - 700 017 to its factory at Rampur, Budge Budge Trunk Road, Maheshtala, P.O. Govindapur, 24 Parganas (South) with immediate effect and that Mr. Gopal Agarwal, Company Secretary be and is hereby authorised to take all necessary steps required to be done in this regard."

Regd. Office :
 13, Camac Street
 Kolkata - 700 017
 Dated : The 30th day of August, 2003

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 Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of Item Nos. 4 & 5 as set out above is annexed hereto.
3. The Register of members and the share transfer books shall remain closed from 24th September, 2003 to 27th September, 2003 (both days inclusive).
4. The Proxy Form, duly completed, must reach the Registered Office of the Company not less than 48 hours before the commencement of the meeting.
5. Members/proxies should bring the attendance slip duly filled in for attending the meeting.



Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 :

Item No. 4

Mr. S.R. Mundhra, was appointed as the Managing Director of the Company for a term of 5 years with effect from 30th July, 1998 and the members approved the said appointment. Accordingly, the period of his appointment has expired on 29th July, 2003. The Board of Directors has re-appointed Mr. S.R. Mundhra as Managing Director for a period of 5 years with effect from 30th July, 2003.

Mr. S.R. Mundhra is associated with the company for last 20 years. He is an M.Com., LL.B., from Calcutta University and has wide experience in Chemical Industry, by virtue of which, he has since been managing the Company. The Board has reposed confidence on Mr. Mundhra subject to your approval. Mr. Mundhra was re-appointed on the existing terms and conditions and he has agreed to forego the Commission part of his remuneration.

Accordingly, an Appointment Letter dated 29th July, 2003 was issued to Mr. mundhra on the following remuneration and terms and conditions subject to shareholders approval u/s. 269 of the Companies Act, 1956.

1. Salary Rs. 30,000/- (Rupees thirty thousand only) per month.
2. Perquisites and allowances :
 - (i) In addition to salary, Mr. Mundhra shall be entitled to perquisites and allowances like, accommodation, house maintenance allowance together with reimbursement of expenses or allowances for utilities such as gas, electricity, water, furnishing and repairs, medical reimbursement, club fees and leave travel for self and family, personal accident insurance and such other perquisites and allowances in accordance with the rules of the company or as may be agreed to by the Board and Mr. Mundhra subject to a total limit of annual salary or Rs. 4,50,000/- whichever is less.
 - (ii) For the purpose of calculating the above ceiling, perquisites shall be evaluated as per Income Tax Rules, wherever applicable. In the absence of any such rules, perquisites shall be evaluated at actual cost.
 - (iii) Provision for use of the Company's car for official duties and telephone at residence (including payment for local calls and long distance official calls) shall not be included in the computation of perquisites for the purpose of calculating the said ceiling.
 - (iv) Provident Fund : Company's contribution towards P.F. , subject to a ceiling of 12% of the salary.
 - (v) Super Annuation Fund : As per Company rules; but it shall not, together with Company's contribution to P.F. exceed 25% of the salary or such taxable limits in force from time to time.
 - (vi) Gratuity and Leave Encashment : Payable as per Company rules. Leave Encashment at the end of tenure shall not be included in the computation of limits for the remuneration or perquisites aforesaid.
 - (vii) The above may be treated as an abstract of the terms of the Contract/Appointment between the Company and Mr. Mundhra u/s. 302 of the Companies Act, 1956. The Directors recommend the resolution set out at Item No. 4 of the notice for approval of the shareholders.
 - (viii) Except Mr. Mundhra, none of the Directors is in any way, interested or concerned in the resolution.

Item No. 5

The company has not been doing well financially since last 6 years. For survival it is necessary to cut the cost wherever possible. As a cost cutting measure the management decided to shift the Registered Office to the factory which will lead to lot of saving on the expenditures being incurred at the present Head Office on account of administration cost etc. The Board of Directors therefore, recommend the resolution set out in Item No. 5.

None of the directors are interested in the resolution.



ALLIED RESINS & CHEMICALS LIMITED

DIRECTORS' REPORT

Your Directors have pleasure in placing before you the 44th Annual Report and Audited Accounts of the Company for the financial year ended March 31, 2003.

(Rs. in Lacs)

1. FINANCIAL RESULTS	2002-2003	2001-2002
Total Income	2744.58	2,115.35
Operating Profit / (Loss)	21.96	(287.28)
Interest	4,026.68	3,343.94
Depreciation	443.02	442.89
Profit / (Loss) before Tax	(4,447.74)	(4,074.11)
Profit / (Loss) after Tax	(4447.74)	(4,074.11)
Profit / (Loss) brought forward	(14,614.38)	(10,540.27)
	(19,062.12)	(14,614.38)

2. PERFORMANCE OF THE COMPANY :

It was a great year for your company as it made operating profit after a gap of 7 years. The main reason for the success was company's efforts on export front. The Company's export turnover touched Rs. 685 lacs in comparison to Rs. 288 lacs last year registering growth of 138%. Today your company's products are being exported to around 20 countries of the world.

Company's result could have been better but for the steep increase in the price of basic raw material like Methanol and Phenol. Moreover due to lack of working capital, company could not import raw materials at Kolkata Port and was forced to bring from Mumbai and Vizag spending 20-30% as freight on the cost of raw material.

3. REHABILITATION :

Despite the pendency of the Company's writ before Kolkata High Court against the BIFR order of 28th May, 2002 directing the company to submit a fresh proposal with a deposit of Rs. 10 crores, BIFR proceeded with hearing on 25th November, 2002 and recommended winding up of the company and also directed for constitution of Assets Sale Committee for sale of its surplus assets. Your company filed a supplementary petition against this order and the High Court stayed constitution of Assets Sale Committee. The matter is out of the list presently.



DIRECTORS' REPORT (Contd.)

The Workers' Union have also filed an appeal before AAIFR against the said order of BIFR.

BIFR's recommendation on winding up has also since come up for hearing in the High Court. The stay petition filed by the company against the winding recommendation has been directed by the court to appear in the monthly list of November, 2003.

The Company has since received notices from The New India Assurance Co. Ltd., IIBI & IDBI under the Securitisation Act which have been suitably replied.

4. **FUTURE PROSPECTS :**

In view of the encouraging response from the export market, company's future appears to be quite bright. Its R&D is continuously developing new products. Given the required working capital support, the company will be able to increase the capacity utilization and will cut down the costs resulting into increase in export turnover and profits.

5. **FIXED DEPOSITS :**

During the year, the company has not accepted any fresh fixed deposit from the public.

6. **DIRECTORS :**

Mr. B. K. Ghose 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.



ALLIED RESINS & CHEMICALS LIMITED

DIRECTORS' REPORT (Contd.)**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 standards 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, 2003 and of the profit of the Company for that period;
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 : August 30, 2003

For and on behalf of the Board

S. R. MUNDHRA
Chairman & Managing Director

ALLIED RESINS & CHEMICALS LIMITED



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, 2003 and the Profit & Loss Account for the year ended on that date 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 Central Government, in terms of Section 227(4A) of the Companies Act, 1956, we enclose 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, 2003, therefore, all the directors are disqualified from being appointed as director of other public companies as on 31st March, 2003 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, 2003 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 30th August, 2003

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



ALLIED RESINS & CHEMICALS LIMITED

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.
- 13) The Company has no internal audit system during the year commensurate to its size and nature of its business.