



**2008-09  
Annual Report**

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**AMAL LIMITED**

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Atul - 396020, Gujarat, India  
[www.amal.co.in](http://www.amal.co.in)



**Lalbhai Group**



## Amal Limited

### Board of Directors

Dr Rana Vishnoi  
*Chairman*

Mr Mriganka Dutta

Mr Ghanshyam Parekh

### Chief Operating Officer

Dr Naresh Chourishi

### Auditors

V R Parekh & Co  
*Chartered Accountants*

### Cost Auditors

H R Kapadia  
*Cost Accountant*

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### Registered Office

310B, Veer Savarkar Marg  
Dadar (West), Mumbai 400028  
Maharashtra, India  
Phone: (+91 22) 39876000  
Fax: (+91 22) 39876061, 39876065

### Head Office

Atul 396020, Gujarat, India  
Phone: (+91 2632) 233663, 234330  
Fax: (+91 2632) 233402

### Works

1. 136 I 137, GIDC Industrial Area  
Ankleshwar 393002, Gujarat, India  
Phone: (+91 2646) 251066, 251271  
Fax: (+91 2646) 251982
2. Atul 396020, Gujarat, India  
Phone: (+91 2632) 233227

**AMAL LIMITED****Notice**

Notice is hereby given that the Thirty-Fifth Annual General Meeting of the Members of Amal Limited will be held at Kilachand Conference Room, Second Floor LNM - IMC Building, IMC Marg, Opposite Churchgate Railway Station, Churchgate, Mumbai 400020 Maharashtra, India on Thursday, September 24, 2009 at 4:00 pm to transact the following business:

**Ordinary Business:**

1. To receive, consider and adopt the Audited Balance Sheet as on March 31, 2009 and Profit and Loss Account for the year ended on that date together with the reports of Directors and Auditors thereon.
2. To appoint a Director in place of Dr Rana Vishnoi, who retires by rotation and being eligible, offers himself for reappointment
3. Dr Naresh Chourishi, Manager of the Company is due to retire on September 01, 2009. He does not offer for reappointment.
4. To appoint V R Parekh & Co Chartered Accountants, as Auditors and to fix their remuneration

**Special Business:**

5. To consider and, if thought fit, to pass, with or without modifications, the following resolution as an ordinary resolution

"RESOLVED THAT Mr Vasudev Koppaka, be and is hereby appointed as a Director of the Company in respect of whom the Company has received a notice in writing under section 257 of the Companies Act, 1956, along with a deposit of Rs500 from a member proposing his candidature.

By Order of the Board  
For Amal Limited

**Rana Vishnoi**  
Chairman

Registered Office:  
310B, Veer Savarkar Marg  
Dadar (West), Mumbai 400028  
Maharashtra, India  
August 10, 2009

**Notes:**

1. Printed copies of Balance Sheet, Profit and Loss Account, the Directors' Report, the Auditors' Report and every other document required by law to be annexed or attached to the Balance Sheet for the financial year ended March 31, 2009 are enclosed herewith.
2. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and a proxy need not be a member of the Company. Proxies in order to be effective must be received by the Company not later than 48 hours before the commencement of the meeting.
3. The Register of members and share transfer books of the Company will remain closed on Monday, August 31, 2009.
4. Members desirous of any information about the accounts and operations of the Company are requested to write to the Company at least 10 days before the date of the meeting so that the required information can be made available at the meeting.
5. Members / Proxies are requested to bring the enclosed attendance slip with them duly filled in for attending the meeting.
6. Reappointment of Director: At the ensuing Annual General Meeting, Dr Rana Vishnoi retires by rotation and being eligible offers himself for reappointment. The information or details required as per the Listing Agreement pertaining to him are as under:  
  
Dr Rana Vishnoi is M.Tech (Chemical) IIT and Ph.D. He specializes in Chemical spectrum. He has been associated with the Company from the beginning. Presently he is on the Board of Par Investments Limited, Agrimore Limited and Osia Reality (P) Limited. He holds 1500 equity shares in the Company.

**Explanatory Statement:****(Pursuant to Section 173 (2) of the Companies Act 1956)****Item No 4**

Mr Vasudev Koppaka has done B.Sc from University of Mumbai, B.Sc (Tech) from ICT, Mumbai (formerly UDCT) followed by post graduation in Management Studies (MMS) from University of Mumbai. He has 2 decades of experience in various areas such as Technical Services, Product Management, Strategy & Business Planning and General Management. He is not a Director in any other Company. He does not hold any equity shares in the Company.

The Board appointed him as Additional Director and his term expires in this Annual General Meeting. The Board further recommends his appointment as a Director.

None of the Directors except Mr Vasudev Koppaka is interested or concerned in the above item.

By Order of the Board  
For Amal Limited

**Rana Vishnoi**  
Chairman

Registered Office:  
310B, Veer Savarkar Marg  
Dadar (West), Mumbai 400028  
Maharashtra, India

August 10, 2009

**AMAL LIMITED****Directors' Report**

Dear Members,

The Board of Directors presents the Thirty Fifth Annual Report and Audited statement of Accounts for the year ended March 31, 2009.

(Rs in thousands)

<b>1. Financial Results</b>	<b>2008-09</b>	<b>2007-08</b>
Profit   (Loss)		
before tax	(20,760.30)	(17,412.72)
Add   (Less) Deferred tax   Provision for tax	(338.75)	3059.20
Profit   (Loss) after tax	(21,099.05)	(14,353.52)
Waiver received on one time settlement (Unsecured Creditors)	21,857.13	--
Profit   (Loss) after tax	758.08	(14,353.52)
Brought forward	(556,902.91)	(542,549.39)
Disposable surplus   (Deficit)	(556,144.83)	(556,902.91)
Appropriation	(556,144.83)	(556,902.91)
Disposable surplus   (Deficit)	(556,144.83)	(556,902.91)

**2. Dividend**

The Company did not have any operation during the year except the job work execution. The Company continues to have huge accumulated losses; therefore your Directors regret their inability to recommend any dividend.

**3. Operations****3.1 Production**

Sulphuric Acid/Oleum plant, for which your Company has undertaken job work activity, was operated during the year. Other manufacturing plants at Ankleshwar and Atul sites were not operated as they need large capital investment and working capital to restart. Also looking to the uncertain demand position it is not prudent to invest such large sums.

**3.2 Sales | Income**

Since the operations of both the plants are stopped, total income of Rs2,977.26 thousand (previous year Rs4,589.13 thousand) consists of non operational income (sales of traded products and other income for the previous year).

**3.3 Profitability**

The Company has earned total profit of Rs758.08 thousand (previous year loss of Rs14,353.52 thousand).

**4. Finance**

Entire dues of all Bankers and Financial Institutions are already settled through One Time Settlement Scheme.

**5. Status regarding BIFR**

The Company was declared sick by BIFR with effect from July 20, 2006. The proposal of revival of Sulphuric Acid plant with enhanced capacity to 120 TPD from 100 TPD with focus on value added products has been submitted to BIFR. The BIFR order is expected shortly.

**6. Directors**

Dr Rana Vishnoi, Director of the Company is retiring by rotation at the ensuing Annual General Meeting and being eligible offers himself for reappointment. The tenure of Dr Naresh K Chourishi is expiring on September 01, 2009. He had indicated his unwillingness to continue. Your Directors place on record the appreciation for the dedicated and invaluable contribution of Dr Naresh K Chourishi during his tenure as Manager.

**7. Ecology & Safety**

The Company is taking necessary steps for safe disposal of effluent generated from the Sulphuric Acid Plant, which is running at present. Steps are taken to protect any water contamination problems during monsoon and from the plants which are not operated.

**8. Insurance**

The Company has renewed third party liability policy and insured the assets to safeguard the interest of the Company.

**9. Employees**

Company is having only a few officers at its Head Office for day-to-day work of the Company. There



are no employees of the Company falling under the provisions of Section 217(2A) of the Companies Act, 1956.

#### 10. Corporate Governance

A report on Corporate Governance along with a Report from the Auditors of the Company regarding compliance of the conditions of Corporate Governance pursuant to Clause 49 of the Listing Agreement is annexed.

#### 11. Conservation of Energy, Research & Development, Technology Absorption and Foreign Exchange Earnings and Outgo.

Information required under 217(1) (e) of the Companies Act, 1956 read with Rule 2 of the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 as amended from time to time, forms part of this Report. However, as per the provisions of Section 219(1)(b)(iv), the report and accounts are being sent to all the shareholders of the Company excluding the information relating to conservation of energy, technology absorption and foreign exchange earnings and outgo. Any shareholder interested in obtaining such information particulars may inspect the same at the Registered Office of the Company or write to the Chief Operating Office for a copy.

#### 12. Auditor and Auditor's Report

V R Parekh & Co, the Auditors of the Company, will retire at the conclusion of the ensuing Annual General Meeting. They have given their consent to continue to act as the Auditors of the Company for the current year, if appointed. The members are requested to appoint them and fix their remuneration.

The relevant notes forming part of the accounts are self-explanatory and give full information and explanation in respect of the observations made by the Auditors in their report.

#### 13. Responsibility Statement

Pursuant to Section 217 (2AA) of the Companies Act, 1956 the Directors confirm that:

- (i) In the preparation of the annual accounts, applicable accounting standards have been

followed.

- (ii) Such accounting policies were selected and applied consistently and such judgments and estimates were made that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as on March 31, 2009 and of the loss of the Company for the year ended on that date.
- (iii) Proper and sufficient care has been taken 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) Since the Company has suspended its operations for quite a long time, it has also relieved all its employees of Ankleshwar and Atul Plants. In such circumstances, it could not be considered as a going concern. However, all potential losses and expenses have been booked or provided for.

#### 14. Acknowledgement

The Directors acknowledge the co-operation and support given by the Members, Bankers, Financial Institutions and various Government Authorities during the year. The Directors sincerely appreciate the contribution made by the employees.

For and on behalf of the Board of Directors

**Rana Vishnoi**  
Chairman

Registered Office:

310B, Veer Savarkar Marg, Near Prabhadevi  
Telephone exchange, Dadar West,  
Mumbai 400028, Maharashtra, India

June 26, 2009



**AMAL LIMITED****Management Discussion and Analysis****Business at a Glance**

Manufacturing Plants of Ankleshwar and Atul Sites are not operated since February 2004 except Sulphuric Acid I Oleum plant, for which your Company has undertaken job work activity. Plants need large capital investments and working capital to restart and looking to the uncertainty of demand it is not considered advisable to make further large investments.

Since the operations of both the plants are stopped, total income of Rs2,977.26 thousand (previous year Rs4,589.13 thousand) consists of job work income and other income.

The Company has earned a profit of Rs758.08 thousand (previous year loss of Rs14,353.52 thousand). The Company was declared sick by BIFR with effect from July 20, 2006.

All the workmen and management staff at Ankleshwar and Atul plants were relieved. The Company is having a few officers at its Head Office for day-to-day work of the Company.

The Company has already settled outstanding dues of Bankers and Financial Institutions through the One Time Settlement (OTS) route.

Management Discussion and Analysis for different product group under each segment is as follows:

**1. Bulk Chemicals:****a. Industry Structure and Developments**

Sulphuric Acid plant products being Bulk Chemicals are dominated by market conditions and the flow of products coming from metal industries, which are generated as bye products, in the market. The products being competitive, the prices are always under pressure. However, the price of Sulphur,

the main raw material, is stable for quite some time and the prices of finished goods are stabilizing gradually after the recession in September - October 2008.

**b. Financial Performance**

There were no manufacturing operations during the year by the Company. Hence no income was generated from sale of manufactured products. The Company has entered into a job work agreement for use of equipments of Sulphuric Acid I Oleum plant. All the plant assets were impaired in the year 2004-05.

**c. Opportunity, Threats and Outlook**

There are better prospects for the value added products of the Sulphuric Acid plant. Such products can be produced at Ankleshwar plant to cater to the local requirements.

Copper and Zinc metal producers who get Sulphuric acid as a bye-product are major threat for the business. This threat continues to be there. However, the impact can be diluted by having Sulphuric Acid derivatives.

Considering the future market scenario, revival plan with higher production capacity with more emphasis on the value added products has been initiated.

**2. Dye Intermediates at Ankleshwar Plant:****a. Industry Structure and Developments**

Present capacity of the dye intermediates plant of the Company is 1000 MT per annum. The Company was manufacturing a wide range of Dye Intermediates at its Ankleshwar Plant, which mainly consists of N-Phenyl-J-acid, C-acid, Sulfo-J-acid,



Sulfo-C-acid, Epsilon and Violet acid. The products at Ankleshwar are of high contribution products in general but the volumes are small and unpredictable. Production of dye intermediates were stopped since February 2004 due to economic un-viability.

**b. Financial Performance**

There were no manufacturing operations during the year; hence no income was generated from sale of manufactured products. Impairment of all the plant assets was booked in the year 2004-05.

**c. Opportunity, Threats and Outlook**

Uncertainty of economically viable demands has made further large investments in project unjustifiable; the Company's Ankleshwar site remained closed during the year.

**3. H-acid:**

**a. Industry Structure and Developments**

During the year under review, there were no manufacturing operations. Plant needs large capital investments and working capital to restart and looking to the uncertainty of demands, it is not considered advisable to make further large investments. Plants are not operated since February 2004.

**b. Financial Performance**

There were no manufacturing operations during the year; hence no income was generated from sale of manufactured products. Impairment of all the plant assets was booked in the year 2004-05. Plants are not operated since February 2004.

**c. Opportunity, Threats and Outlook**

Although H-acid prices have improved significantly in the market place, the plant can not be restarted mainly due to very high re-start cost and other labour and pollution related problems.

**4. Internal Control System and their adequacy:**

The Company has developed over the years and put in place a reasonable internal control system for safeguarding the assets of the Company to prevent and detect fraud or any other irregularity.

**5. Human Resources | Industrial Relations:**

All the workmen and management staff at Ankleshwar and Atul plants were relieved. Company is having few officers at its Head Office for day-to-day work of the Company.



**AMAL LIMITED****Report On Corporate Governance****1) A brief statement on Philosophy of the Company on Code of Governance:**

The Company's policy on Code of Governance is the maximization of wealth of its shareholders and fair shares to lenders, creditors and customers and its employees. The Company believes that the Corporate Governance is all about establishing a discipline in management of Company to make a full disclosure of material facts and total transparency subject to the adverse impact on the Company.

**2) Board of Directors:**

Composition and category of Directors at the end of the year

Promoters	:	0
Executive	:	0
Non-executive	:	3
Nominees	:	0

**(i) Attendance of each Director at the Board of Directors' Meetings and the last Annual General Meeting**

No	Name of the Directors	Board Meeting 2008-09		Annual General Meeting on September 26, 2008
		Total	Attended	
1.	Dr Rana Vishnoi	5	4	Present
2.	Mr Mriganka Dutta	5	3	Present
3.	Mr Ghanshyam Parekh	5	5	Present

**(ii) Number of other Directorships; Chairmanships / Memberships of Committee of each Director**

No	Name of the Directors	Category	Number of other Directorships held *	Number of other membership / Chairmanship on the Committees of the Board
1.	Dr Rana Vishnoi	I.N.E.D	3	---
2.	Mr Mriganka Dutta	I.N.E.D	2	---
3.	Mr Ghanshyam Parekh	I.N.E.D	1	---

I.N.E.D - Independent Non Executive Director

\*This includes Directorships in both Public Limited as well as Private Limited Companies.

**(iii) Number of Board of Directors' meetings held, dates on which held**

Five Board of Directors meetings were held on:

- |                   |                      |
|-------------------|----------------------|
| (1) May 31, 2008  | (4) October 25, 2008 |
| (2) June 26, 2008 | (5) January 28, 2009 |
| (3) July 31, 2008 |                      |

**(iv) Code of Conduct:**

At the Board Meeting held on June 26, 2008, the Board of Directors had approved the Code of Conduct applicable to Directors and Senior Management personnel. All the Board Members and Senior Management Personnel have affirmed their compliance with the Code of Conduct. A declaration to this effect signed by the Manager of the Company forms part of this report.



### 3) Audit Committee:

#### (A) Powers of the Audit Committee

- (i) Investigation of any activity within its terms of reference.
- (ii) Seeking information from any employee.
- (iii) Obtaining outside legal or other professional advice.
- (iv) Securing attendance of outsiders with relevant expertise, if it considers necessary.

#### (B) Roles of the Audit Committee

- (i) Taking overview of the financial reporting process of the Company and disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- (ii) Recommending appointment and removal of external Auditor, fixation of audit fee and also approval for payment for any other services.
- (iii) Reviewing with the management the annual financial statements before submission to the board, focusing primarily on:
  - a) Any changes in accounting policies and practices.
  - b) Major accounting entries based on exercise of judgment by management.
  - c) Qualifications in draft Audit Report.
  - d) Significant adjustments arising out of the Audit.
  - e) The going concern assumption.
  - f) Compliance with accounting standards.
  - g) Compliance with stock exchange and legal requirements concerning financial statements.
  - h) Any related party transactions namely transactions of the Company of material nature, with promoters or the management, their subsidiaries or relatives etc. that may have potential conflict with the interests of the Company at large.
- (iv) Reviewing with the management, external and internal Auditors, the adequacy of internal control systems.
- (v) Reviewing the adequacy of internal audit function, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- (vi) Discussing with internal Auditors on any significant findings and follow up thereon.
- (vii) Reviewing the findings of any internal investigations by the internal Auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
- (viii) Discussing with external Auditors before the Audit commences on nature and scope of Audit as well as post Audit discussion to ascertain any area of concern.
- (ix) Reviewing financial and risk management policies of the Company.
- (x) Looking into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared Dividends) and creditors.
- (xi) Ensuring compliance of internal control systems.
- (xii) Discussing with the Auditors periodically about internal control systems, the scope of Audit including the observations of the Auditors and review the half-yearly and annual financial statements before submission to the Board.
- (xiii) The Audit Committee shall have authority to investigate into any matter in relation to the items specified in this section or referred to it by the Board of Directors and for this purpose, shall have full access to information contained in the records of the Company and external professional advice, if necessary.

#### (C) Composition, name of the members and Chairperson

Chairperson: Dr Rana Vishnoi

Other Members: Mr Ghanshyam Parekh and Mr Mriganka Dutta