

# 34th Annual Report

## 2003-2004



**The Refractories to Associate With**

# ASSOCIATED CERAMICS LIMITED

**Board of Directors**      Arun Agarwal      - Managing Director  
                                  Sharad Agarwal      - Director  
                                  Binod Suhasaria      - Director

**Registered Office**      17, Ganesh Chandra Avenue  
                                  4th Floor, Kolkata - 700 013

**Corporate Office  
& Works**      P.O. Chirkunda  
                                  Dist. Dhanbad (Jharkhand)  
                                  PIN - 828 202

**Bankers**      Union Bank of India  
                                  Asansol

The Vysya Bank Ltd.  
 Kolkata

**Auditors**      M/s. A. Pandey & Associates  
                                  Kolkata

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***The Refractories to Associate With***

# ASSOCIATED CERAMICS LIMITED

## NOTICE OF THE THIRTY FOURTH ANNUAL GENERAL MEETING

NOTICE is hereby given that the 34th Annual General Meeting of **Associated Ceramics Limited** will be held at its registered office 17, G.C. Avenue, 4th Floor, Kolkata - 700 013 on Thursday, the 30th September, 2004 at 11.30 a.m. to transact the following business :

### ORDINARY BUSINESS

1. To consider and adopt the Accounts of the Company for the financial year ended 31st March, 2004 and the Report of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Binod Suhasaria who retires by rotation and eligible offers himself for re-appointment.
3. To appoint Auditors and fix their remuneration. In this connection, to consider and, if thought fit, to pass the following resolution which will be proposed as an Ordinary Resolution :

"RESOLVED that M/s. A. Pandey & Associates, Chartered Accountants, who retire after conclusion of this Annual General Meeting and offer themselves for reappointment be and are hereby appointed as the Auditors of the Company to hold such office till the conclusion of the next Annual General Meeting at a remuneration to be decided later on."

Report Junction.com

Dated : 20th July, 2004

**Registered Office :**

17, G.C. Avenue, 4th Floor,  
Kolkata - 700 013

By order of the Board

Sd/-

**Arun Agarwal**  
Managing 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 such a proxy need not be a member of the company. Proxies duly stamped and signed must be deposited with the Company's Registered Office at 17, G.C. Avenue, 4th Floor, Kolkata - 700 013 not less than 48 hours before the time fixed for the meeting.
2. As a measure of economy copies of the Annual Report will not be distributed at the Annual General Meeting. Members are requested to bring their copies of the Annual Report at the Meeting.
3. Members are requested to notify immediately any change in their address to the Company's Registered Office quoting their folio Nos.
4. Shareholders may please note that no gifts are proposed to be distributed at the meeting.

# ASSOCIATED CERAMICS LIMITED

## DIRECTORS' REPORT

To  
The Shareholders

Your Directors have pleasure in submitting the Annual Report together with the Audited Statement of Accounts of the Company for the year ended 31st March, 2004

### FINANCIAL RESULTS :

|  | 2003-2004<br>(Rs. in Lacs) | 2002-2003<br>(Rs. in Lacs) |
|--|----------------------------|----------------------------|
| Profit before Interest, Depreciation & Tax     | 54.34                      | 53.85                      |
| Less : Interest                                | 11.74                      | 23.57                      |
| Profit before Depreciation & Tax               | 42.60                      | 30.28                      |
| Less : Depreciation                            | 21.23                      | 22.92                      |
| Profit Before Tax                              | 21.37                      | 7.36                       |
| Less : Provision for Taxation                  | 8.57                       | 4.32                       |
| Less : Deferred Tax Adj.                       | (0.90)                     | (1.63)                     |
| Less : Income Tax Adjustment for earlier years | 6.27                       | —                          |
| Profit after Tax                               | 7.43                       | 4.67                       |
| Add : Balance Brought forward from Prev. year  | 64.52                      | 59.85                      |
| Balance carried to Balance Sheet               | 71.95                      | 64.52                      |

### PERFORMANCE OF THE COMPANY

During the Financial Year 2003-04, the company has been able to increase its turnover and profitability. It has made profit of Rs. 7.43 lacs during the year in comparison to profit of Rs. 4.67 Lacs in the previous financial year. Your directors are implementing various cost reduction programmes and the benefit of those are reflected in the financial statements and they will result more profitability in the coming years.

### DIVIDEND

In view of nominal profit and requirement of working capital, your directors do not recommend any dividend for the year.

### DIRECTORS

Mr. Binod Suhasaria, Director of the Company retire by rotation during the ensuing Annual General Meeting, being eligible offer himself for reappointment. None of the Directors of the company is disqualified from being appointed as the director of the company.

### AUDITOR'S REPORT

As there is no qualification by the auditors of the company on the accounts audited by them no comments by the board is called for.

### AUDITORS

M/s. A. Pandey & Associates, the auditors of your company, retire at the ensuing Annual General Meeting and we recommend their reappointment. They are eligible and have offered themselves for re-appointment.

### PERSONNEL

Your company does not have any personnel drawing remuneration of Rs. 24,00,000/- for the year or Rs. 2,00,000/- or more per month for the part of the year. Hence no comment is made as required U/s. 217(2A) of the Companies Act.

# ASSOCIATED CERAMICS LIMITED

## DIRECTORS' REPORT Contd.

### CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNING AND OUTGO :

#### CONSERVATION OF ENERGY

Separate statement annexed.

#### TECHNOLOGY ABSORPTION

Your company has not entered into any technology collaboration. Hence no comment is called for. Its technology is totally indigenous.

#### RESEARCH AND DEVELOPMENT

The company does not carry out any research and development activity.

#### FOREIGN EXCHANGE EARNING AND OUTGO

|  | Current Year | Prev. Year |
|--|--------------|------------|
| Foreign Exchange Earning (Rs. in Lacs) | 30.01        | Nil        |
| Foreign Exchange Outgo (Rs. in Lacs)   | 191.48       | 150.60     |

#### DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to requirement under section 217(2AA) of the Companies Act, 1956 with respect to Directors' Responsibility Statement.

- that in the preparation of the annual accounts for the financial year ended on 31st March, 2004, the applicable Accounting Standards has been followed.
- 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 or loss of the company for the year under review.
- That the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with provisions of the Companies Act, 1956 for safeguard the assets of the company and for preventing and detecting fraud and other irregularities.
- That the directors had prepared the accounts for the financial year ended on 31st March, 2004 on a going concern basis.

#### APPRECIATION

We wish to place on record our appreciation of the devoted services of the sincere workers, staff and executives of the Company which have largely contributed to its efficient management. Your directors also wish to place on record their appreciation for the valuable co-operation and support received from all its valued customers, suppliers, bankers etc. who contributed to the growth of the Company.

We would like to express thanks to our Shareholders for their confidence and understanding.

By order of the Board

Sd/-

**Arun Agarwal**

Managing Director

Place : Kolkata  
Date : 20.07.2004

# ASSOCIATED CERAMICS LIMITED

## ANNEXURE TO THE DIRECTORS' REPORT

Particulars Required under the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988.

| Sl. No. | Power & Fuel Consumption                  | Current Year | Previous Year |
|---------|---|--------------|---------------|
| 01.     | <b>ELECTRICITY :</b>                      |              |               |
|         | Purchased :-                              |              |               |
|         | Unit (Kwh)                                | 914833       | 891894        |
|         | Total Amount (Rs. in Lacs)                | 39.75        | 38.86         |
|         | Rate / Unit (Rs.)                         | 4.35         | 4.35          |
|         | <b>Own Generation (Through Diesel) :-</b> |              |               |
|         | Unit (Kwh)                                | 49087        | 31953         |
|         | Unit per litre of Diesel                  | 21.14        | 20.00         |
|         | Cost per Unit (Rs.)                       | 6.55         | 5.86          |
| 02.     | <b>COAL :</b>                             |              |               |
|         | Quantity in M.T.                          | 3652         | 3637          |
|         | Total Cost (Rs.)                          | 85.36        | 82.49         |
|         | Average Rate per M.T. (Rs.)               | 2274         | 2268          |
| 03.     | <b>FURNACE OIL :</b>                      |              |               |
|         | Quantity in K/Ltr.                        | Nil          | 72            |
|         | Total Cost (Rs. in Lacs)                  | Nil          | 12.16         |
|         | Average Rate per M.T. (Rs.)               | Nil          | 16891         |

By order of the Board

Sd/-

**Arun Agarwal**  
Managing Director

Place : Kolkata  
Date : 20.07.2004

# ASSOCIATED CERAMICS LIMITED

## ANNEXURE TO THE DIRECTORS' REPORT

### CORPORATE GOVERNANCE REPORT

The detailed Report on Corporate Governance as per the format prescribed by SEBI and incorporated in clause 49 of the Listing Agreement is set out below.

#### A) Mandatory Requirements :

##### 1) Company's philosophy on code of Corporate Governance

The Company's philosophy on Corporate Governance lays strong emphasis on transparency, accountability and integrity. The Company has implemented mandatory requirements of the code of Governance as mentioned in clause 49 of the Listing Agreement.

##### 2) Board of Directors

a) The Board comprises of one Wholtime Director and two other non-executive Directors of whom one is an independent director.

The composition of the Board and other details relating to Directors are given below :

| Name of the Director | Designation       | Category of Directorship | No. of other Directorship | No. of other Committee Memberships |
|----------------------|-------------------|--------------------------|---------------------------|------------------------------------|
| Mr. Arun Agarwal     | Wholtime Director | Executive                | 10                        | 2                                  |
| Mr. Sharad Agarwal   | Director          | Non-Executive            | 1                         | 1                                  |
| Mr. Binod Suhasaria  | Director          | Non-Executive            | —                         | 1                                  |

##### b) Appointment / Reappointment of Directors

Mr. Binod Suhasaria who retires by rotation during the ensuing Annual General Meeting and is eligible for reappointment.

He has joined the Company in the year 1988. He has over 10 years of experience in the area of Management. His association with the Company would contribute a lot in forming and finalisation of Business and Corporate policies of the Company. He is also Member of the Shareholder / Investor Grievance Committee & Audit Committee of your Company as Chairman.

##### 3) Audit Committee

The Board of Directors have constituted the Audit Committee. The Composition procedure, role / function of the Audit Committee comply in part with the requirements of the Listing Agreement. The brief terms of reference of Audit Committee includes the following :

Overseeing the Company's financial report process and disclosure of its financial informations.

Review of halfyearly and annual financial results before submission to the Board.

Disclosure with Statutory and Internal auditors about the nature and scope of audit and their observations.

# ASSOCIATED CERAMICS LIMITED

## ANNEXURE TO THE DIRECTORS' REPORT

Investigate any matter referred to by the Board.

The Composition of the Audit Committee :

| Members             | Category    |
|---------------------|-------------|
| Mr. Binod Suhasaria | Independent |
| Mr. Sharad Agarwal  | Independent |

During the year under review no meeting of the Audit Committee was held.

### 4) Shareholders' / Investors' Grievances Committee

The Board of Directors have constituted Shareholders / Investors Grievance Committee to look into the specific Complaints received from the Shareholders of the Company. The Composition of the said Committee is as follows :-

| Members            | Category    |
|--------------------|-------------|
| Mr. Arun Agarwal   | Chairperson |
| Mr. Sharad Agarwal | Independent |

During the year under review no meeting of the Shareholders / Investors Grievances Committee was held.

### 5) Board Procedure

Composition :

At present the strength of the Board is 3 Directors. The Composition of the Board of Directors and their attendance at the Board Meeting and at the last Annual General Meeting is as follows:

| Name of the Director | Nature of Directorship | No. of Board meeting attended | Attendance at the last AGM |
|----------------------|------------------------|-------------------------------|----------------------------|
| Mr. Arun Agarwal     | Executive Chairperson  | 14                            | Yes                        |
| Mr. Sharad Agarwal   | Non-Executive Director | 14                            | Yes                        |
| Mr. Binod Suhasaria  | Non-Executive Director | 14                            | Yes                        |

During the financial year ending 31.03.2004, 14 (Fourteen) meetings of the Board of Directors on 30.04.2003, 07.07.2003, 28.07.2003, 19.08.2003, 25.08.2003, 30.09.2003, 30.10.2003, 11.11.2003, 25.11.2003, 08.12.2003, 22.12.2003, 02.01.2004, 30.01.2004 and 24.03.2004 were held.

Responsibilities :

At the Board meetings of the Company the directors are being provided information stipulated in clause 49 of the Listing Agreement. The Board has a formal schedule of matters reserved for its consideration which includes reviewing performance. The Company has designated the required information system for the purpose.

Role of Independent Directors :

The independent Directors play an important role in deliberations in the Board Meetings and being to the Company, their wider experience in the fields of Accountancy, Finance, Management, etc.