

35th Annual Report

2004-2005



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 FIFTH ANNUAL GENERAL MEETING

NOTICE is hereby given that the 35th Annual General Meeting of **Associated Ceramics Limited** will be held at its registered office 17, G.C. Avenue, 4th Floor, Kolkata - 700 013 on Friday, the 30th September, 2005 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, 2005 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."

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Dated : 25th July, 2005
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 Memebers,

Your Directors have pleasure in submitting the Annual Report together with the Audited Accounts for the year ended 31st March, 2005.

	Current Year (Rs.)	Previous Year (Rs.)
FINANCIAL RESULTS :		
Profit Before Taxation	37,72,916.00	21,37,411.00
<u>Provision for Taxes</u>		
Current Tax	290,185.00	8,57,190.00
Deferred Tax	9,25,368.00	(90,396.00)
Profit after Taxation	25,55,643.00	7,43,485.00
Transfer to Statutory Reserve		
Income Tax paid for earlier year	1,720.00	6,27,132.00
Brought Forward from Prev. year	71,95,049.00	64,51,564.00
Balance carried to Balance Sheet	97,50,692.00	71,95,049.00

FUTURE PERFORMANCE

During the year under review, the company have made of Rs. 25,55,643.00 (PAT) in comparison to that previous year of Rs. 7,43,485.00. 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, your Directors do not recommend any dividend for the year.

AUDITORS

The retiring Auditors A. Pandey & Associates, Chartered Accountants, Kolkata hold office till the conclusion of the Annual General Meeting and is eligible for re-appointment.

DIRECTORS

Shri Binod Suhasaria, retires by rotation and being eligible for reappointment. None of the Directors of the company is disqualified from being appointed as the Director of the Company.

CORPORATE GOVERNANCE

As required under clause 49 of the listing agreement with the Stock Exchange, the report on Corporate Governance together with Auditors View regarding compliance of the SEBI Code of Corporate Governance is annexed herewith.

ASSOCIATED CERAMICS LIMITED

DIRECTORS' REPORT Contd.

PERSONNEL

Your Directors place on record the sense of appreciation for the valuable contribution made by the staff members of the Company and hope that their continued support will help in achieving the goals of the Company. In accordance with the requirement of Section 217(2A) of the Companies Act, 1956, it is stated that no employee of the Company is in receipt of remuneration aggregating to Rs. 24,00,000/- or more for the year and Rs. 2,00,000/- or more per month for the part of the year.

STATUTORY INFORMATION

Particulars required to be furnished by the companies (Disclosure of particulars in the Report of the Board of Directors) Rules, 1988 :

CONSERVATION OF ENERGY : Nil

TECHNOLOGY ABSORPTION & ADOPTION : Nil

FOREIGN EXCHANGE EARNING AND OUTGO : Nil

RESPONSIBILITY STATEMENT

- i) in perception of the annual accounts, the applicable Accounting Standards have been followed along with proper explanation relating to material departures.
- ii) The Directors have selected such accounting policies and have applied them which 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 and of the profit of the company for that period.
- iii) 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.
- iv) The Directors have prepared the annual accounts on going concern basis.

ACKNOWLEDGEMENTS

The Board wishes to place on record their gratitude for the co-operation and assistance received all those who contributed by some means or other for the performance of the Company and expect the same in the future.

Place : Kolkata
Date : 25.07.2005

By order of the Board
Director

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.

Part - A

Sl. No.	Power & Fuel Consumption	Current Year 2005	Previous Year 2004
01.	ELECTRICITY :		
	Purchased :-		
	Unit (Kwh)	1252349	914833
	Total Amount (Rs. in Lacs)	72.96	39.75
	Rate / Unit (Rs.)	5.63	4.35
	OWN GENERATION :		
	(Through Diesel)		
	Unit (Kwh)	14192	49087
	Unit per Litre of Diesel	27.94	21.14
	Cost per Unit (Rs.)	8.79	6.55
02.	COAL :		
	Quantity in M.T.	3644	3052
	Total Cost (Rs.)	101.44	85.36
	Average Rate per M.T. (Rs.)	2784	2274
03.	FURNACE OIL :		
	Quantity in K/Ltr.	945	907
	Total Cost (Rs. in Lacs)	114.99	99.40
	Average Rate per K/Ltr.	12164	10529

By order of the Board

Sd/-

Arun Agarwal
Managing Director

Place : Kolkata
Date : 25.07.2006

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) 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

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 information.
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.

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 Grievances Committee to look into the specific Complaints received from the shareholders of the Company. The

ASSOCIATED CERAMICS LIMITED

ANNEXURE TO THE DIRECTORS' REPORT

Composition of the said Committee is as follows:-

Members	Category
Mr. Arun Agarwal	Independent
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	10	Yes
Mr. Sharad Agarwal	Non-Executive Director	10	Yes
Mr. Binod Suhasaria	Non-Executive Director	10	Yes

During the financial year ending on 31.03.2005 10 (Ten) meetings of the Board of Directors on 29-04-2004, 05-05-2004, 07-07-2004, 20-07-2004, 27-07-2004, 30-07-2004, 30-09-2004, 30-10-2004, 30-01-2005 and 31-01-2005 were held.

Responsibilities :

At the board meeting 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 Meeting and being to the Company, their wider experience in the fields of Accountancy , Finance, Management, etc.

Board Meetings :

The meeting of the Board of Directors are being held at regular intervals of not more than four months at the Company's Registered office at Kolkata and are generally schedule well in advance and the provisions under the Companies Act, 1956 and those under clause 49 of the Listing Agreement are followed in this regard. The Board meets at least once in a quarter to review quarterly performance and financial results. The agenda of the meeting is prepared and circulated to the directors in advance. The Members of the Board have access to all information pertaining to the Company and are free to recommend inclusion of any matter in the agenda for the discussion. Senior Executive /Director of the Group Company are invited to attend the Board Meeting for discussion and providing inputs and their views, as and when required.