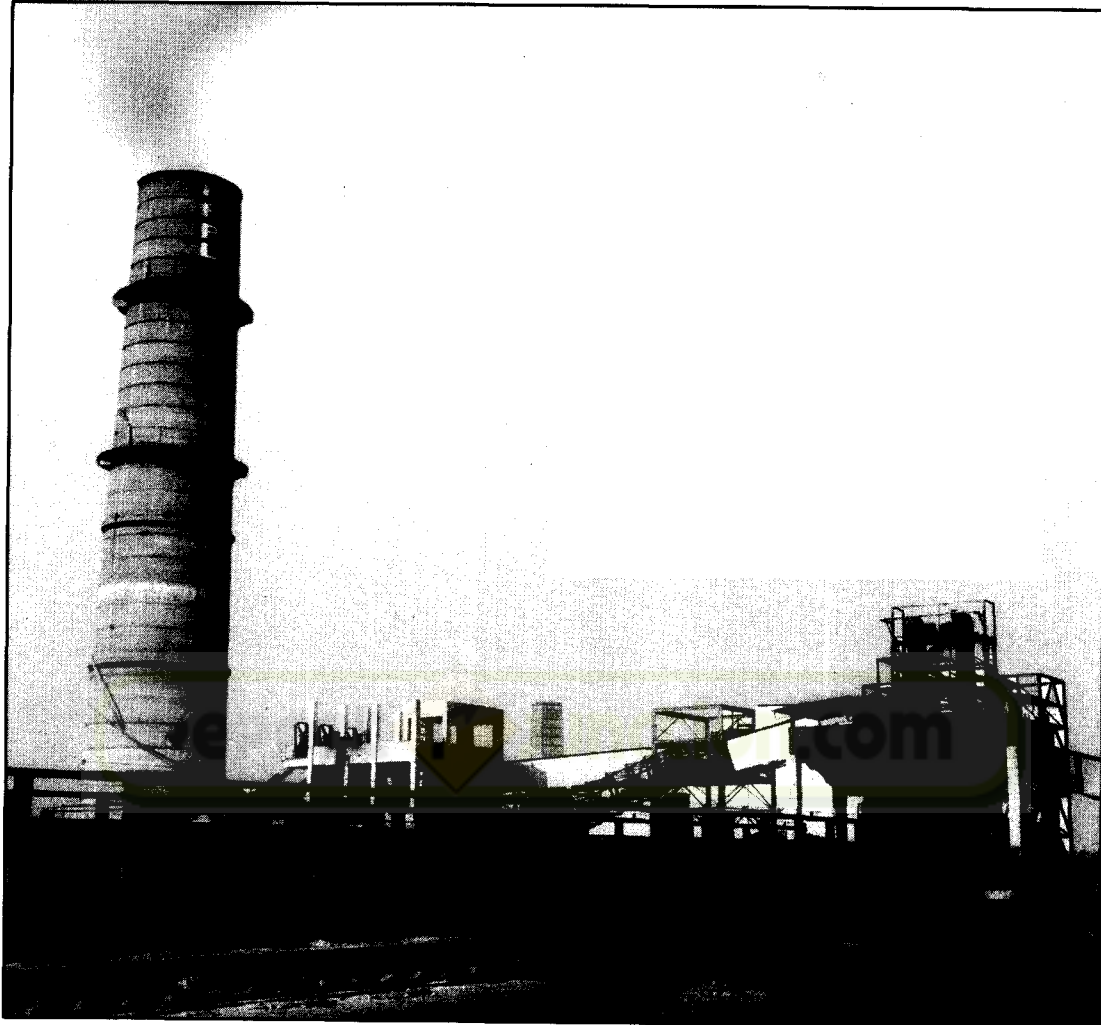


# **ANNUAL REPORT 2001-2002**



**FOUNDY FUEL PRODUCTS LIMITED**

**FOUNDRY FUEL PRODUCTS LIMITED**

Annual Report 2001-2002

**CHAIRMAN**

D. K. Agarwalla

**MANAGING DIRECTOR**

Nandan Kumar Agarwalla

**DIRECTOR**

Pramod Kumar Agarwalla

**SECRETARY**

R. K. Sahoo

**CERTIFIED TO BE TRUE COPY**

*For Foundry Fuel Products Ltd.*

  
*Company Secretary*

**AUDITORS**

Ashok Kedia & Company  
Chartered Accountants  
4, Gangadhar Babu Lane  
Kolkata - 700 012

**BANKERS**

State Bank of India  
State Bank of Mysore

**FINANCIER**

Industrial Development Bank of India  
State Bank of India

**DEPOSITORY REGISTRAR**

Niche Technologies Pvt. Ltd.  
C-444, Bagree Market,  
71, B.R.B. Basu Road  
Kolkata - 700 001

**REGD. OFFICE**

8, Waterloo Street  
Kolkata - 700 069

**CORPORATE OFFICE & WORKS**

G. T. Road, Govindpur  
Dhanbad, Jharkhand

Report  Junction.com

**FOUNDRY FUEL PRODUCTS LIMITED**

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**NOTICE OF ANNUAL GENERAL MEETING**

NOTICE is hereby given that the thirty-eighth Annual General Meeting of the Members of Foundry Fuel Products Limited will be held at "MAHAJATI SADAN" (Annexee Building), 166, Chittaranjan Avenue, Kolkata-700 007 on Saturday, the 28th December, 2002 at 10.00 A.M. to transact the following :

**AS ORDINARY BUSINESS**

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

**AS SPECIAL BUSINESS**

4. To consider and if thought fit, to pass, with or without modification the following resolution as an Ordinary Resolution :

"RESOLVED that the vacancies caused on the Board of Directors of the Company due to resignation of Messrs G. S Garcha and Sanjay Khemka, Directors be not filled."



By Order of the Board of Directors

8, Waterloo Street  
Kolkata-700 069  
29th October, 2002

**R. K. Sahoo**  
Secretary

**FOUNDRY FUEL PRODUCTS LIMITED****Annual Report 2001-2002****Notes :**

1. **A member entitled to attend and vote at this Annual General Meeting may appoint a proxy to attend and vote on a poll on his/her behalf. A proxy need not be a member of the Company. Proxy, in order to be effective, must be received at the Registered Office of the Company not less than forty-eight hours before the meeting.**
2. The Register of Members and Share Transfer Books will remain closed from 26th December, 2002 to 28th December, 2002, both days inclusive.
3. Members desiring any information on the accounts are requested to write the Company at least one week before the meeting so as to enable the management to keep the information ready .

**EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT,1956;****Item No.4**

Messrs G. S. Garcha and Sanjay Khemka were resigned from the Board with effect from 3rd May, 2002 and 10th June, 2002 respectively due to their personal reasons. The Board puts on record its deep appreciation of the valuable services rendered by Messrs G. S. Garcha and Sanjay Khemka during their tenure as Directors of the Company. The Board is of the view that the vacancies caused on the Board of the Company due to resignation of both Messrs G. S. Garcha and Sanjay Khemka may not be filled at present.

The provisions of Companies Act, 1956 provides for a resolution to be passed by the shareholders in forthcoming Annual General Meeting if the vacancies to be caused by the resignation of Directors are not intended to be filled.

None of the Directors of the Company is concerned or interested in the said resolution.

**FOUNDRY FUEL PRODUCTS LIMITED****Annual Report 2001-2002****DIRECTORS' REPORT**

Your Directors have pleasure in presenting the Annual Report together with the Audited Accounts for the year ended 31st March, 2002.

**FINANCIAL RESULTS**

	<b>For the year ended 31.03.2002 Rs. in lakh</b>
Loss before depreciation, interest & taxation	40.55
Add : Depreciation & interest	216.56
Loss before Taxation	257.11
Less : Provision for Deferred Tax Liability (Assets)	97.29
Loss after Tax	159.82
Add : Amount of loss brought forward from last year	1092.66
Balance of loss carried forward	1252.48

**PERFORMANCE & PROSPECTS**

Turnover during the year under review was Rs. 4.74 crores an increase of 107% against Rs. 2.29 crores in the previous year. Despite the Company's focus on management of costs & productivity improvements, your company has incurred a net loss of Rs. 160 Lacs against Rs. 252 Lacs in the previous year basically due to interest cost burden and short fall in the working capital faced by the Company. Demand for the product went down in the previous year due to unfavourable market conditions and sharp slow down in the economy.

The shareholders are aware that the situation of the Company is not encouraging during the current period. There has been no turn around in the status of your Company. In the mean time, the BIFR has ordered for the winding up of the Company in which your Company decides to make an applicaiton to the AAIFR to stay the proceedings of the winding up. However, your Directors are hopeful that the restructuring package, to be accepted by both the operating agency and the bankers, to be approved by the BIFR in which the concession and relief sought are expected to imporve the Company's working as well as ensure its viability. Your Company is taking appropriate steps in this regard. Your Directors have taken all possible steps to improve productivity and expect to have a better result for the year.

**FOUNDRY FUEL PRODUCTS LIMITED**

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**FOREIGN EXCHANGE EARNING AND OUTGO**

During the year under review there was no foreign exchange earning and outgo.

**DIVIDEND**

In view of the loss during the year and the deficit from the previous years, your Directors regrets to recommend a dividend.

**DIRECTORS**

Mr. G. S. Garcha and Mr. Sanjay Khemka were resigned from the Board with effect from 3rd May, 2002 and 10th June, 2002 respectively. The Board puts on record its deep appreciation of the valuable services rendered by Mr. Garcha and Mr. Khemka during their tenure as Directors of the Company. The Board decided not to fill the casual vacancies caused by the resignation of Messrs Garcha and Khemka.

Mr. Pramod Kumar Agarwalla will retire by rotation at the forthcoming Annual General Meeting and being eligible offer himself for re-appointment.

**DIRECTORS' RESPONSIBILITY STATEMENT**

As required by Section 217 (2AA) of the Companies Act, 1956 your Directors confirm :-

- i) that in the preparation of the annual accounts for the year ended 31st March, 2002, the applicable accounting standards have been followed with proper explanation relating to material departures;
- ii) 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 as on 31st March, 2002 and of the loss of the Company for the year ended on that date;
- iii) that the Directors have taken proper and sufficient care of 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
- iv) that the Directors have prepared the annual accounts on a going concern basis.

**AUDITORS**

The Auditors Messrs Ashok Kedia & Company, Chartered Accountants, retire at the forthcoming Annual General Meeting and are eligible to offer themselves for re-appointment.

**FOUNDRY FUEL PRODUCTS LIMITED**

Annual Report 2001 2002

**AUDITORS' REPORT**

Appropriate notes to the Accounts explain the observations in the Auditors' Report.

**CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION**

Your Company used power from on generator as the only form of energy, the consumption of which is very minimal. No such technology absorbed by the Company during the period under review. There is no other information under the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 to be furnished.

**PARTICULARS OF EMPLOYEES**

During the year under review none of the employees of the Company was paid remuneration over the limit prescribed under Section 217 (2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975, as amended.

**REFERENCE TO BIFR**

Your Company has already been registered with the BIFR under Sick Industrial Companies (Special Provisions) Act, 1985 for necessary direction and the promoters brought huge funds into the Company as per the BIFR direction. In the mean time, the BIFR has ordered for the winding up of the Company in which your Company decides to make an application to the AAIFR to stay the proceedings of the winding up.

**APPRECIATION**

Your Directors express their gratitude to the Government Agencies, the Company's Bankers & Financial Institution, and the shareholders for their continued co-operation and guidance.

Your Directors wish to place on record their appreciation of the dedication and commitment extended by the employees during the year under review.

For and on behalf of the Board

8, Waterloo Street  
Kolkata - 700 069  
29th October, 2002

**D.K. AGARWALLA**  
Chairman

**FOUNDRY FUEL PRODUCTS LIMITED****Annual Report 2001-2002****AUDITORS' REPORT**

To

The Members of

Foundry Fuel Products Limited

We have audited the attached Balance Sheet of M/s Foundry Fuel Products Limited as at 31st March, 2002 and also the Profit & Loss Account for the year ended on that date annexed thereto. 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 conducted our audit in accordance with auditing standards generally accepted in India. Those standards 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.

As required by the Manufacturing and Other Companies (Auditors' Report) Order, 1988 issued by the Central Government of India in terms of sub-section(4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 & 5 of the said Order.

Further to our comments in the Annexure referred to above, we report that :

- i) 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;
- ii) 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 those books;
- iii) The Balance Sheet and the Profit & Loss Account dealt with by this report are in agreement with the books of account;
- iv) In our opinion, the Balance Sheet and the Profit and Loss Account dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
- v) On the basis of written representations received from the Directors, as on 31st March, 2002, and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2002 from being appointed as a Director in terms of clause(g) of sub-section (1) of Section 274 of the Companies Act, 1956;
- vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
  - a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2002; and
  - b) in the case of the Profit and Loss Account, of the Loss for the year ended on that date.

For **ASHOK KEDIA & COMPANY**  
Chartered Accountants

Place : Kolkata

Date : 29th October, 2002

**A. K. KEDIA**  
Partner