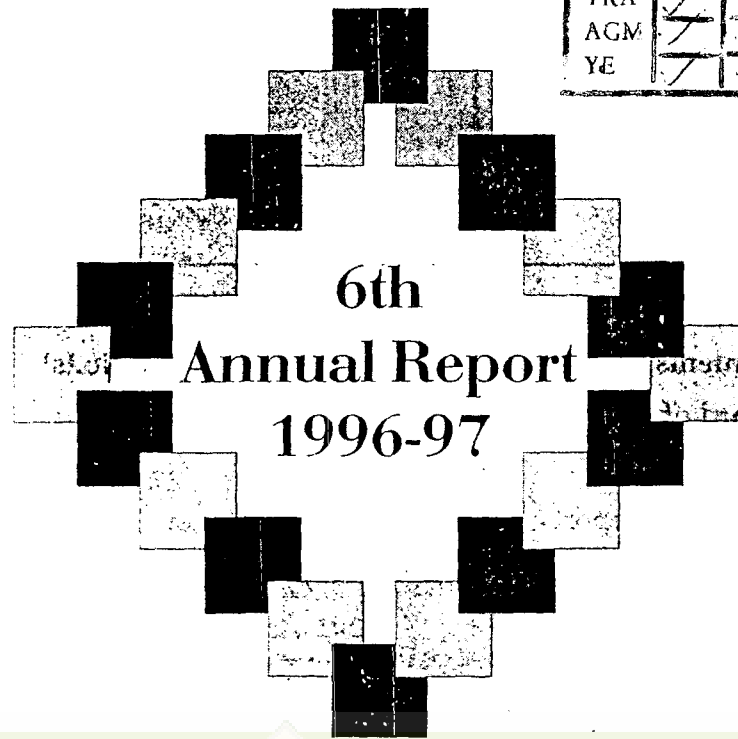


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YE	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>



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Valley Abrasives limited

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DIRECTORS

Shri B. P. Agarwal *Managing Director*

Shri D. Agarwal

Shri M. K. Agarwal

Shri F. M. Patnaik

Shri P. V. Naik (*Nominee of IDBI*)

Shri S. K. Mukherjee

AUDITORS

Agrawal Rungta & Co.

REGISTRAR & TRANSFER AGENT

AMI Computers (India) Ltd.

Regd. Office : 60A & 60B, Chowringhee Road, Calcutta-700 020

BANKERS

UCO Bank

REGISTERED OFFICE

40B, Vivekananda, Calcutta-700 007

PLANT

P.O. - Chirkunda 828202

Dist. Dhanbad (Bihar)

VALLEY ABRASIVES LIMITED**NOTICE**

NOTICE is hereby given that the 6th Annual General Meeting of the Members of Valley Abrasives Limited will be held in the conference Room of AMI Computers (India) Limited at 60A & 60B, Chowringhee Road, Calcutta - 700 020 on Monday, the 29th September, 1997 at 2-30 P.M. to transact following business :

1. To consider and adopt Profit & Loss Account for the year ended 31st March, 1997, the Balance Sheet as at that date and the Auditors' and the Directors' Reports thereon.
2. To appoint a Director in place of Sri M. K. Agarwal who retires by rotation but being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Sri Fakir Mohan Patnaik, who retires by rotation but being eligible, offers himself for re-appointment.
4. To appoint Auditors' to hold office from the conclusion from this Annual General Meeting until the conclusion of the next Annual General Meeting and to authorise the Board to fix their remuneration.

By Order of the Board
For Valley Abrasives Limited,

Registered Office :
40B, Vivekananda Road,
Calcutta - 700 007

B. P. Agarwal
Managing Director

Date : 6th August, 1997.

NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND, ON POLL, TO VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER.

Proxies in order to be effective must be received at the Registered Office not less than 48 hours before the Meeting.

2. The Register of Members and Transfer Books of the Company will be closed from 22nd September, 1997 to 29th September, 1997 both days inclusive.
3. Intimation of any change of address should be given to the Registrar and Share Transfer Agent, M/S AMI Computers (I) Limited, 60A & 60B, Chowringhee Road, Calcutta - 700 020.
4. The Registers, Indexes, Returns, Books, Certificates and documents of the Company required to be maintained and kept open for inspection under the provisions of the Companies Act, 1956, be kept open for such inspection at the Registered Office of the AMI Computers (India) Limited, by the persons entitled thereto, to the extent and in the manner and on payment of the fees, if any, specified in the Act, between 10-30 A.M. to 2-00 P.M. on any working day of the said Share Registrar, except when the Registers and Books are closed under the provisions of the Act or the Articles of Association of the Company and/or as per the listing agreement of the Stock Exchanges where the Shares of the Company are listed.
5. MEMBERS ARE REQUESTED TO BRING THEIR COPIES OF THE ANNUAL REPORT TO THE MEETING.



DIRECTORS' REPORT TO THE MEMBERS -

The Directors have the pleasure in presenting the 6th Annual Report on the operations of the Company, together with Audited Accounts for the year ended 31st March, 1997.

	Projected for the year 1996-97 (Rs. in Lacs)	Actual for the year 1996-97 (Rs. in Lacs)	Actual for the year 1995-96 (Rs. in Lacs)
FINANCIAL RESULTS :			
Sales and other Receipts	1818.43	356.81	470.14
Profit before Interest and Depreciation	565.95	(278.10)	2.30
Less : Interest	<u>153.40</u>	<u>158.46</u>	<u>57.24</u>
Profit before Depreciation	412.55	(436.56)	(54.94)
Less : Depreciation	<u>84.37</u>	<u>102.67</u>	<u>78.88</u>
Profit/Loss Carried to Balance Sheet	328.18	(539.23)	(133.82)

PRODUCTION :

Particulars	Projected for the year 1996-97 (M/T)	Actual for the year 1996-97 (M/T)	(%)
Brown Alumina Grains	4060	1685.465	41.51
White Alumina Grains	2100	—	
White Mullite Grains	1540	—	
OTHERS			
D. C. Fines	—	150.700	
C. B. Fines/100 Fines	—	84.250	
Ferro Silicon	—	242.976	
Castable	—	168.000	
Calcined Bauxite	—	996.350	

Total Quantity of other Production 1642.276 M/T.

PROJECT PERFORMANCE :

During the period Furnace No. 1 having a capacity of 2 MVA could operate for 81 days whereas the other Furnace having a capacity of 4 MVA operated for 107 days in all because of operational difficulties.

FUTURE PROSPECTS :

Due to design fault in the 4 MVA Furnace supplied by GEC Alsthom India Limited the furnace could run for only 107 days giving a production of only 1685.465 M/T against targeted production of 7700 M/T. This led to huge losses for the Company ultimately leading to erosion of net worth. However the Directors are trying to revive the Company for which steps are being taken to make necessary co-ordination with Creditors, UCO Bank & Industrial Development Bank of India. The Board is hopeful that with assistance and co-operation from all we should be in position to revive the Company.

VALLEY ABRASIVES LIMITED**PUBLIC ISSUE :**

The Company has issued R.P.O.'s to cover all the refunds to eligible investors and brokers and kept the required balance with State Bank of Saurashtra, Paldi, Ahmedabad to owner the refunds.

FIXED DEPOSITS :

Your Company has not accepted any deposit within the meaning of Section 58A of the Companies Act, 1956 and the Rule made thereunder.

PARTICULARS OF EMPLOYEES :

The information required to be submitted under Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1988 with respect to above matters are annexed to this report.

DIRECTORS :

Mr. M.K. Agarwal & Mr. F.M. Patnaik retires by rotation at the ensuing Annual General Meeting and being eligible, offers themselves for re-appointment.

AUDITORS :

M/s. Agrawal Rungta & Co., Chartered Accountants, retire at the ensuing Annual General Meeting and are eligible for re-appointment.

AUDITORS' REPORT :

The Notes to the accounts referred to in the Auditors Report are self explanatory and therefore do not call for any further comment.

PERSONNEL :

Relation with the employees continue to remain cordial throughout the year. Your Directors wish to place on record their appreciation for dedicated and sincere services rendered by executives and staff at all levels.

ACKNOWLEDGEMENT :

Your Directors place on record their appreciation of assistance and support extended by the I.D.B.I., UCO Bank, Auditors, Share Holders, Suppliers, Customers and Staff to the Company.

Registered Office :
40B, Vivekananda Road,
Calcutta - 700 007

Date : 06th August, 1997

For & on behalf of the Board
VALLEY ABRASIVES LIMITED

B. P. AGARWAL
Chairman

ANNEXURE TO THE DIRECTORS' REPORT

FORM - A

Disclosure of Particulars with respect to Conservation of Energy.

A. POWER & FUEL CONSUMPTION		Unit	31.03.97	31.03.96
1. Electricity				
a) Purchased	KWH	9052390	9256679	
Total Amount	Rs./Lacs	301.07	190.95	
Rate/Unit (Including all Charges)	Rs./Kwh	3.33	2.06	
b) Own Generation	KWH	26739	24150	
(Through Generator)				
Cost of Diesel per Unit	Rs./KWH	2.80	2.97	
2. H.S.D.				
Quantity	Ltr.	8913	8050	
Total Cost	Rs./Lacs.	0.75	0.72	
Average Rate	Rs./Ltr.	8.41	8.94	
3. Coal				
Quantity	M/T	1153	3094	
Total Cost	Rs./Lacs	13.72	36.54	
Average Rate	Rs./M.T.	1190	1181	
B. CONSUMPTION PER UNIT OF PRODUCTION :				
M.T. of Abrasive Grains & Calcined Bauxite		Unit	31.03.97	31.03.96
1. Electricity	KWH	5371	2669	
2. H.S.D.	Ltr.	5.29	2.32	
3. Coal	M.T.	1.16	1.15	

VALLEY ABRASIVES LIMITED**FORM - B****Disclosure of Particulars with respect to Conservation of Energy.****A. RESEARCH & DEVELOPMENT (R & D)****1. Specific areas in which R & D is carried out by the Company.**

R & D Activities of the Company are directed towards energy conservation, waste recycling and quality improvement.

2. Future Plan of Action :

To continue R & D works on the above areas.

3. Expenditure on R & D	31.03.97	31.03.96
a) Capital (Rs.)	—	1,44,104.00
b) Recurring (Rs.)	26,662.00	1,01,146.00
c) Total (Rs.)	26,662.00	2,45,250.00
d) As a percentage of turn over	0.08%	0.52%

B. TECHNOLOGY ABSORPTION, ADAPTION & INNOVATION :**1. Efforts made :**

Continuous efforts are made to check on the actual performance against envisaged and the indigenous technology for manufacturing of Abrasive Grains.

2. Benefits :

Saving of foreign exchange.

3. Technology imported - Nil**C. FOREIGN EXCHANGE EARNING AND OUTGO :**

The Company has used Foreign Exchange for Rs. 1,22,000.00 during the year.

REPORT OF THE AUDITORS TO THE MEMBERS

We have audited the annexed Balance Sheet of M/S. VALLEY ABRASIVES LIMITED as at 31st March, 1997 together with the related Profit and Loss Account of the Company for the year ended on that date and 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 the law have been kept by the Company so far as it appears from our examination of the books.
3. The Balance Sheet & Profit and Loss Account referred to in this report are in agreement with the books of account.
4. In our opinion and to the best of our information and according to the explanation given to us, the said Balance Sheet and the Profit and Loss Account read together with schedules annexed thereto and notes to accounts as per Schedule 19 give the information required by the Companies Act 1956 in the manner so required and give a true and fair view :-
 - a) In so far as it relates to the Balance Sheet, of the State of affairs of the Company as at 31st March, 1997 and
 - b) In so far as it relates to the Profit & Loss Account, of the Profit of the Company for the year ended on that date :
5. As required by the manufacturing and other Companies (Auditors' Report) order, 1988 and on the basis of such checks as we considered appropriate, we state that :
 - i) The Company has maintained proper records to show full particulars including quantitative details and situations of its Fixed Assets and the same have been physically verified by the Management. In our opinion, the frequency of verification of Fixed Assets by the Management is reasonable having regard to the size of the Company and the nature of the Assets. No discrepancies between book records and the physical inventory have been noticed.
 - ii) There has been no revaluation of Fixed Assets during the year.
 - iii) The stocks of finished goods, Work in Process, Stores, Spare parts and Raw material have been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable.
 - iv) In our opinion and according to the information and explanation given to us, the procedures of physical verification of stocks followed the Management were found reasonable and adequate in relation to the size of the Company and the nature of its business.
 - v) The discrepancies noticed on verification of stocks as compared to book records, which were not significant, have been properly dealt with in the books of account.
 - vi) In our opinion the valuation of the above mentioned stocks is fair and proper in accordance with the normally accepted accounting principles and is on the same basis as in the previous year.
 - vii) The Company has not taken any loans from firms, Companies or other parties listed in the register maintained under Section 301 and 370 (1) (c) of the Companies Act, 1956.
 - viii) The Company has not granted any loans, secured or unsecured to the Companies, firms and other parties listed in the register maintained under Section 301 of the companies Act, 1956 or to the companies under the same management as defined under section 370 (1-B) of the Companies Act, 1956.