



Valley Abrasives Limited

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***12th
Annual Report
2002-2003***



DIRECTORS

Shri Bajrang Prasad Agarwal (Managing Director)
Shri Deepak Agarwal
Shri Sunil Kumar Mukherjee
Shri Pradip Kumar Kundu (Nominee of IDBI)

AUDITORS

Agrawal Rungta & Co.
Martin Burn House
1, R. N. Mukherjee Road,
5th Floor, Room No. - 6
Kolkata - 700 001

REGISTRAR & TRANSFER AGENT

AMI Computers (India) Limited
Regd. Office : 60A & 60B, Chowringhee Road,
Kolkata – 700 020

BANKERS

UCO. BANK

REGISTERED OFFICE

40B, Vivekananda Road,
Kolkata – 700 007

PLANT

Post Chirkunda – 828 202,
Dist. Dhanbad (Jharkhand)

VALLEY ABRASIVES LIMITED**NOTICE :**

NOTICE is hereby given that the 12th Annual General Meeting of the members of M/s Valley Abrasives Limited will be held in the Conference Room of AMI Computers (India) Limited at 60A & 60B, Chowringhee Road, Kolkata – 700 020 on Wednesday, the 30th July, 2003 at 2.30 P.M. to transact the following business :

ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2003 and Profit & Loss Account for the year ended on that date together with the Reports of Auditors' and Directors' thereon.
2. To appoint a Director in place of Shri Deepak Agarwal who retires by rotation but being eligible, offers himself for re-appointment.
3. To appoint Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting at a remuneration as may be mutually agreed upon between the said Auditors and Board of Directors of this Company. The existing Auditors M/s. Agrawal Rungta & Co., being eligible for re-appointment, has given their consent for re-appointment.

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Registered Office :
40B, Vivekananda Road,
KOLKATA - 700 007
Date : 28th April, 2003

By order of the Board
For VALLEY ABRASIVES LIMITED

BAJRANG PRASAD AGARWAL
Managing Director

VALLEY ABRASIVES LIMITED**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/ HERSELF 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 28th July, 2003 to 30th July, 2003 both days are inclusives.
3. Intimation of any change of address should be given to the Registrar and Share Transfer Agent, M/s. AMI Computers (India) Ltd. 60A & 60B, Chowringhee Road, Kolkata - 700 020.
4. The Registers, Indexes, Returns, Books, Certificates and documents of the Company required to be maintained & 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 (I) 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.

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

Date : 28th April, 2003

By order of the Board
For **VALLEY ABRASIVES LIMITED**

BAJRANG PRASAD AGARWAL
Managing Director

VALLEY ABRASIVES LIMITED**DIRECTORS' REPORT TO THE MEMBERS :**

Your Directors present the 12th Annual Report of the Company together with the Audited Account for the year ended 31st March, 2003.

FINANCIAL RESULTS :

The Company has suffered a total loss of Rs. 504.69 Lacs after providing Depreciation & Interest, whereas the operation of the Plant remained totally suspended.

The Company had submitted its revival proposal to I. D. B. I. as Operating Agency appointed by B. I. F. R. .

Once the revival scheme is sanctioned the Company would be in a position to achieve the targets being laid for the revival.

	Actual for the year 2002-2003 (Rs. in Lacs)	Actual for the year 2001-2002 (Rs. in Lacs)
Sales & Other Receipts	0.00	0.50
Profit before Interest and Depreciation	(9.13)	(21.79)
Less : Interest	493.02	415.27
Profit Before Depreciation	(502.15)	(437.06)
Less : Depreciation	2.54	2.85
Profit / Loss Carried to Balance Sheet	(504.69)	(439.91)

	Projected for the year 2002-2003 (in M/T)	Actual for the year 2002-2003 (in M/T)	%
PRODUCTION :			
Particulars	NIL	NIL	0%

PROJECT PERFORMANCE :

There was no production in the year under review.

FUTURE PROSPECTS :

Due to gap in demand and supply, we foresee a good market for the Company's products if the revival scheme is approved and the Company can start afresh.

VALLEY ABRASIVES LIMITED**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 matter are not applicable as there is no such employees receiving such remuneration to report with.

DIRECTORS :

Sri Deepak Agarwal retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

CORPORATE GOVERNANCE :

According to the schedule of implementation of the recommendation of the Securities and Exchange Board of India and the Listing Agreements of the Stock Exchanges, the Company implemented corporate Governance during the year under report.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:

1. Conservation of energy, technology absorption : as per Form A & B Annexed hereto.
2. Foreign Exchange earning : Nil
3. Foreign Exchange Outgo : Nil

DIRECTORS' RESPONSIBILITY STATEMENT :

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

- i) That in preparation of the Accounts for the financial year ended 31st March 2003, the applicable accounting standards have been followed along with proper explanation relating to material departures.
- ii) That the Directors have selected such accounting policies and applied them consistently and made judgement 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.



- iii) That 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) That the Directors have prepared the Accounts for the financial year ended 31st March 2003 on a "going concern" basis.

AUDITORS :

M/s. Agrawal Rungta & Co., Chartered Accountants, retired at the ensuing Annual General Meeting and are eligible for re-appointment. They have given their Consent for such 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 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, Shareholders, Suppliers, Customers and staff to the Company.

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

Date : 28th April, 2003

For & on Behalf of the Board
VALLEY ABRASIVES LIMITED

BAJRANG PRASAD AGARWAL
Managing Director



ANNEXURE TO THE DIRECTORS' REPORT

FORM – A

DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY.

A. POWER & FUEL CONSUMPTION		UNIT	31.03.2003	31.03.2002
1.	Electricity :			
a)	Purchased	KWH	—	90564
	Total Amount	Rs. / Lacs	—	9.39
	Rate / Unit (Including all charges)	Rs. / KWH	—	10.37
b)	Own Generation	KWH	—	—
	(Through Generator)			
	Cost of Diesel per unit	Rs. / KWH	—	—
2.	H. S. D. :			
	Quantity	Ltr.	—	—
	Total Cost	Rs. / Lacs	—	—
	Average Rate	Rs. / Ltr.	—	—
3.	Coal :			
	Quantity	M. T.	—	—
	Total Cost	Rs. / Lacs	—	—
	Average Rate	Rs. / M. T.	—	—
B. CONSUMPTION PER UNIT OF PRODUCTION :				
M. T. of Abrasives Grains				
		UNIT	31.03.2003	31.03.2002
1.	Electricity	KWH	—	—
2.	H. S. D.	Ltr.	—	—
3.	Coal	M. T.	—	—

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 :

There is no R & D activities undertaken by the Company due to shutdown of the plant.

2. Future Plan of Action :

To continue R & D works after revival of the Company.

3. Expenditure on R & D :	<u>31.03.2003</u>	<u>31.03.2002</u>
a) Capital (Rs.)	–	–
b) Recurring (Rs.)	–	–
c) Total (Rs.)	–	–
d) As a percentage of turn over	–	–

B. TECHNOLOGY ABSORPTION, ADOPTION & INNOVATION :

1. Efforts made :

The Plant has been made ready for performance, Sufficient Working Capital to meet the Current Liabilities is required to gear it up to achieve better utilisation of its production capacity.

2. Benefits :

Saving of Foreign exchange.

3. Technology imported – Nil.

C. FOREIGN EXCHANGE EARNING AND OUTGO :

The Company has not used foreign exchange during the year.

VALLEY ABRASIVES LIMITED**REPORT ON CORPORATE GOVERNANCE**

To Promote and improve the standard of Corporate Governance, the Listing Agreement with Stock Exchange requires the Company to implement the same. The philosophy of the Company on Corporate Governance is to attain the highest level of transparency, accountability and equity in all areas of its operations and interaction with investors/customer.

BOARD OF DIRECTORS :**Composition of the Board of Directors as on 31st March, 2003**

The Board of Directors of the Company has a combination of dependent and independent Directors. As on 31st March, 2003, more than 1/3rd of the total members of the Board, comprised of dependent Directors.

COMPOSITION OF BOARD OF DIRECTORS

Directors	Number
Dependent, Executive	One
Dependent, Non Executive	Two
Independent, Non Executive	One

MEMBERS OF THE BOARD AND THE NUMBER OF BOARD MEETING, ANNUAL GENERAL MEETING ATTENDED BY EACH DIRECTOR FOR THE FINANCIAL YEAR 2002-03.

NAME	DESIGNATION	NO. OF OUTSIDE DIRECTORSHIP HELD	NO. OF BOARD MEETINGS ATTENDED	LAST AGM ATTENDANCE
Mr. B. P. Agarwal	Executive, M.D.	3	1	No
Mr. D. Agarwal	Non Executive	1	3	Yes
Mr. S. K. Mukherjee	Non Executive	0	5	Yes
Mr. P. K. Kundu	Non Executive, (Nominee of IDBI)	3	2	No

The Board met 5 times during the year on 27th April, 2002; 29th July, 2002; 16th August, 2002; 28th October, 2002 and 29th January, 2003.

INFORMATION PLACED BEFORE THE BOARD OF DIRECTORS :

In addition to the matter statutorily required to be considered by the Board, all major decisions involving business plans, budgets, borrowings, BIFR matters and all other matters that have an impact on the performance of the Company are placed before the Board.