



Valley Abrasives Limited



13th Annual Report 2003 - 2004



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

40-B, Vivekananda Road
Kolkata—700 007

PLANT

Post – Chirkunda (828 202)
Dist – Dhanbad (Jankhand)



NOTICE

NOTICE is hereby given that the 13th 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 Saturday, the 18th September, 2004 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, 2004 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 Sunil Kumar Mukherjee who retires by rotation but being eligible, offer himself for re-appointment.
3. To appoint Auditors to hold office from the conclusion of this Annual General Meeting at a remuneration as may be mutually agreed upon between the said Auditors and Board of Directors of the Company. The existing Auditors M/S. Agarwal Rungta & Co., being eligible for appointment, has given their consent for re-appointment.

Registered Office :

40-B, Vivekananda Road,

Kolkata – 700 007

Date :13th July, 2004.

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 16th September, 2004 to 18th September, 2004 both days are inclusive.
3. Intimation of any change of address should be given to the Registrar and share Transfer Agent M/S. AMI Computers (India) Limited, 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 (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.

Registered Office :
40-B, Vivekananda Road,

Kolkata - 700 007
Date : 13th July, 2004

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

(BAJRANG PRASAD AGARWAL)
Managing Director

VALLEY ABRASIVES LIMITED

DIRECTORS' REPORT TO THE MEMBERS :

Yours Directors present the 13th Annual Report of the Company together with the Audited Account for the year ended 31st March, 2004.

FINANCIAL RESULTS :

The Company has suffered a total loss of Rs. 546.69 Lacs after providing depreciation & interest, whereas the operation of the Plant remains 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 2003-04 (Rs. In Lacs)	Actual for the Year 2002-03 (Rs. In Lacs)
Sales & Other Receipts	0.00	0.00
Profits before Interest and Depreciation	(9.73)	(9.13)
Less : Interest	534.68	493.02
Profit before Depreciation	(544.41)	(502.15)
Less : Depreciation	2.28	2.54
Profit/Loss carried to Balance Sheet	(546.69)	(504.69)

Projected for the Year 2003-04 (In M/T)	Actual for the Year 2003-04 (In M/T)	(%)
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PRODUCTION :

Particulars :	NIL	NIL	0%
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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.



FIXED DEPOSITS :

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

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 remuneration to report with.

DIRECTORS :

Shri Sunil Kumar Mukherjee retires by rotation at the ensuing Annual General Meeting and being eligible, offers him self 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 and Technology absorption : As per Form A and B annexed hereto.
2. Foreign Exchange Earnings : Nil
3. Foreign Exchange Outgo : Nil

DIRECTORS' RESPONSIBILITY STATMENT :

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, 2004 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 judgment 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 :

VALLEY ABRASIVES LIMITED

- 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, 2004 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 continued 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 :
40-B, Vivekananda Road,

Kolkata - 700 007
Date : 13th July, 2004

By Order of the Board
For **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 :	<u>UNIT</u>	<u>31.03.04</u>	<u>31.03.03</u>
1. Electricity :			
a) Purchased	KWH	—	—
Total Amount	Rs./Lacs	—	—
Rate/Unit			
(Including all charges)	Rs/KWH	—	—
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	<u>UNIT</u>	<u>31.03.04</u>	<u>31.03.03</u>
1. Electricity	KWH	—	—
2. H.S.D.	Ltr.	—	—
3. Coal	M.T.	—	—

**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 activity 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>31.03.04</u>	<u>31.03.03</u>
a) Capital (Rs.)	–	–
b) Recuring (Rs.)	–	–
c) Total (Rs.)	–	–
d) As a percentage of turn over	–	–

B. TECHNOLOGY ABSORPTION, ADAPTION & INNOVATION :

1. Efforts made :

The Plant has been made ready for performance, sufficient working Capital to meet Current Liabilities is required to gear it up to achieve better utilization 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 DIRECTIONS :

Composition of the Board of Directors as on 31st March, 2004

The Board of Directors of the Company has a combination of dependent and independent Directors. As on 31st March, 2004, 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 2003-04.

NAME	DESIGNATION	NO. OF OUTSIDE DIRECTORSHIP HELD	NO. OF BOARD MEETINGS ATTENDED	LAST AGM ATTENDANCE
Mr. B. P. Agarwal	Executive, M.D.	3	1	YES
Mr. D. Agarwal	Non Executive	1	3	YES
Mr. S. K. Mukherjee	Non Executive	0	4	YES
Mr. P. K. Kundu	Non Executive, (Nominee of IDBI)	3	3	NO

The Board met 4 times during the year on 28th April, 2003 ; 30th July, 2003 ; 22nd October, 2003 and 28th January, 2004.

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.