



Valley Abrasives Limited

Report  junction.com

***14th
Annual Report
2004 - 2005***



DIRECTORS

Shri Bajrang Prasad Agarwal (Managing Director)

Shri Deepak Agarwal

Shri Sunil Kumar Mukherjee

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 (Jharkhand)



NOTICE

NOTICE is hereby given that the 14th 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 Friday, the 30th September, 2005 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, 2005 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, offer himself for re-appointment.
3. To appoint Auditors to hold office from the conclusion of this Annual General Meeting at remuneration as may be mutually agreed upon between the said Auditors and Board of Directors of the Company. The existing Auditors M/s. Agrawal Rungta & Co., being eligible for appointment, has given their consent for re-appointment.

SPECIAL BUSINESS :

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

"RESOLVED THAT pursuant to provisions of section 269, 309, 310, 311 and other applicable provisions of the Companies Act, 1956 including Schedule XIII of the said Act, Shri Bajrang Prasad Agarwal be and is hereby appointed as the Managing Director of the Company for a period of 3 years with effect from 15th December, 2005 on such term and conditions of appointment and remuneration as set out in the explanatory statement with liberty to the Board of Directors to alter, modify and vary terms and conditions of the said appointment within the permissible limits of the said Schedule XIII as amended from time to time as may be agreed to between the Board of Directors and Shri Bajrang Prasad Agarwal".

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

Date : 26th August, 2005.

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

BAJRANG PRASAD AGARWAL
(Managing Director)



ANNEXURE TO THE NOTICE :

EXPLANATORY STATEMENT PURSUENT TO SECTION 173(2) OF THE COMAPNIES ACT, 1956 :

ITEM : 4

Shri Bajrang Prasad Agarwal is acting as a Managing Director of the Company and his terms of appointment will expire on 14th December, 2005. In view of his past experience and intimate knowledge of the industry, it will be in the interest of the Company to re-appoint him as the Managing Director for a further period of 3 years with effect from 15th December, 2005 on existing terms and conditions. The Board recommend his re-appointment.

TERMS AND CONDITIONS :

1. The Managing Director shall, subject to supervision, control and directions of the Board of Directors, be entrusted with the Management of the whole of the affairs of the Comany.
2. Period of appointment : 3 years from 15th December, 2005 to 14th December, 2008.
3. The Managing Director shall be entitled to and shall be paid or given the following Salary, Perquisites, commission and benefits.
 - i) Salary : Rs. 15,000.00 (Rupees fifteen thousand only) per month with yearly increment not exceeding Rs. 2000.00 per month as may be decided by the Board (D.A. and all other allowances, if any payable under the Company's Rules except those specified here under will be treated as part of the salary).
 - ii) Parquisites : In addition to salary, the following perquisites restricted to the Annual Salary are allowed.

CATEGORY 'A'

1. Housing : I : The expenditure by the Company on hiring furnished accommodation for the appointee will be subject to the following ceiling.

Sixty percent of the salary, over and above ten percent payable by the appointee.

- Housing : II : In case the accommodation is owned by the Company, ten percent of the salary of the appointee shall be deducted by the Comapny.

- Housing : III: In case no accommodation is provided by the Company, the appointee shall be entitled to House rent allowance subject to the ceiling laid down in Housing-I of Rs. 6000.00 per month whichever is less.



Explanation : The expenditure incurred by the Company on Gas, Electricity, Water and Furnishing shall be valued as per the Income Tax Rules, 1962 and Shall be Subject to a ceiling of ten percent of the salary of Managing Director.

2. Medicial Reimbursement : For self and the family not exceeding one months salary in a year or three months' salary over a period of three years.
3. Leave Travel Concession : For self and the family once in a Year incurred in accordance with the rules specified by the Company.
4. Club Fee : Fees of Clubs, subject to maximum of two Clubs, but fee for admission and life membership are not to be paid.
5. Personal Accident Insurance Premium not exceeding Rs. 4000.00 per annum.

CATEGORY 'B' :

1. Contribution to the Provident Fund and Superannuation Fund to the extent permissible by the Government from time to time and as per the Rules of the Company will not be included in the computation of the ceiling on perquisites to the extent these either singly or put together are not taxable under the Income Tax Act.
2. Gratuity at half a months' salary for each completed year of service.
3. Encashment of leave at the end of the tenure will not be included in the computation of ceiling of the perquisites.

CATEGORY 'C' :

Car for use on Company's business and telephone at residence will not be considered as perquisites. Personal long distance calls and use of car for private purpose shall be billed by the Company to the Managing Director.

- III) Commission : In addition to Salary subject to the overall ceiling laid down in Section 198 and 309 of the Companies Act, 1956. Commission based on the net profits of the Company in a particular year or part thereof shall be payable to the Managing Director (Bonus, if any, payable under Company's Rule will be treated as part of the commission).



IV) Other Benefits :

1. The Managing Director Shall be entitled to leave on full pay and perquisites, but not more than one month leave for every eleven months service. Leave accumulated and not availed of during his tenure as Managing Director shall be allowed to be encashed at the time of his retirement as per the Rules of the Company.
2. The Managing Director shall be entitled to the reimbursement of entertainment expenses actually and properly incurred in the course of legitimate business of the Company.
3. Subject to the conditions stated herein above, the Managing Director shall be entitled to other benefits, amenities and facilities as per the rules of the Company.
4. Shri Bajrang Prasad Agarwal so long as he functions as the Managing Director shall not become interested or otherwise concerned directly or through his wife and/or minor children in any selling agency of the Company without prior approval of the Central Government.

No Director other than Shri Bajrang Prasad Agarwal is interested or concerned in the resolution.

Registered Office :

40-B, Vivekananda Road.
Kolkata - 700 007

By Order of the Board

for **VALLEY ABRASIVES LIMITED**

Date : 26th August, 2005.

BAJRANG PRASAD AGARWAL
(Managing Director)

**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 registered of Members and Transfer Books of the Comapny will be closed from 28th September, 2005 to 30th September, 2005 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 Comapny 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

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

Date : 26th August, 2005.

BAJRANG PRASAD AGARWAL
(Managing Director)

VALLEY ABRASIVES LIMITED

DIRECTORS' REPORT TO THE MEMBERS :

Your Directors present the 14th Annual Report of the Company together with the Audited Account for the year ended 31st March, 2005.

FINANCIAL RESULTS :

The Company has incurred total profit of Rs. 2342.85 Lacs after providing depreciation & interest including liability of Rs.3169.14 against term Loan of IDBI and Cash Credit dues of Uco. Bank being written back. The Company has settle the loan with interest under One time settlement Scheme with IDBI and UCO Bank as per settlement dated 03.12.2004 & 24.12.2004 respectively and paid their dues as per settlement during the year under review except Rs. 10,00,000/- of UCO Bank, which will be due in the next year. The Company has started production of refractory bricks as small scale with their existing D.D. Kiln during the year. Whereas the operation of the main 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 2004-05 (Rs. In Lacs)	Actual for the year 2003-04 (Rs. In Lacs)
Sales & Other Receipts	3172.29	0.00
Profits before Interest and Depreciation	3161.72	(9.73)
Less : Interest	1.67	534.68
Profit before depreciation	3160.05	(544.41)
Less : Depreciation	440.15	2.28
Profit After Interest & Depreciation	2719.90	(546.69)
Less : Provision for Deferred Tax Liability	377.05	-
Profit/Loss carried to Balance Sheet	2342.85	(546.69)
	Projected for the Year 2004-05 (In M/T)	Actual for the Year 2004-05 (In M/T) (%)
PRODUCTION :		
Particulars :		
B.P. Set (Refractory Bricks)	NIL	1,28,173 Nos.

PROJECT PERFORMANCE :

There was no Production of main products in the year under review.



FUTURE PROSPECTS :

Due to gap in demand and supply, we foresee a good market for the Company's main 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 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 remuneration to report with.

DIRECTORS :

Shri Deepak Agarwal 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 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, 2005 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 :
- 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, 2005 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.

PERSONAL :

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

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

Date : 26th August, 2005.

BAJRANG PRASAD AGARWAL
(Managing Director)