

**15TH ANNUAL REPORT
1998-99**

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AVS INDUSTRIES LIMITED

AVS INDUSTRIES LIMITED**15TH ANNUAL REPORT****BOARD OF DIRECTORS**

G.D.Singi - Chairman
M.K.Soni
G.P.Jhawar

REGISTERED OFFICE

S.No. 67, P.O.Vikramgad, h,
Tal. : Jawhar,
Dist.: Thane 401 605

CORPORATE OFFICE

204, Maker Bhavan No. 3,
New Marine Lines,
MUMBAI 400 020.

WORKS

- i) Village : Vikramgad h
Taluka : Jawhar
Dist : Thane 401 605
- ii) Village : Madap
Taluka : Khalapur
Dist : Raigad (Maharashtra)

BANKER

Punjab National Bank

AUDITORS

Khandelwal Jain & Co.
Chartered Accountants
MUMBAI 400021.

REGISTRAR & SHARE TRANSFER AGENTS

Computrade Services Pvt.Ltd.
201/202, Pujit Plaza,
Sector - 11, CBD Belapur,
Navi Mumbai - 400614.

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AVS INDUSTRIES LIMITED

NOTICE TO THE MEMBERS

NOTICE is hereby given that the 15th Annual General Meeting of the members of **AVS INDUSTRIES LIMITED** will be held at the Registered Office of the Company at S.No.67, P.O.Vikramgad, Tal.Jawhar, Dist. Thane - 401 605 on Friday, the 21st May, 1999 at 11.30 A.M. to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 1999 and the Profit and Loss Account for the year ended on that date and the Reports of Director's and Auditor's thereon.
2. To appoint a Director in place of Shri. G.D. Singi, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Auditors and to fix their remuneration.

SPECIAL BUSINESS

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

"RESOLVED THAT Shri G.P. Jhawar, who was appointed as an Additional Director of the Company pursuant to Article 92 of the Articles of Association of the Company and Section 260 of the Companies Act, 1956 and who holds the office upto the date of this Annual General Meeting, but being eligible for appointment and in respect of whom the Company has received notice in writing from a member proposing his candidature for the office of Director under Section 257 of the Companies Act, 1956 be and is hereby appointed as Director of the Company Liable to retire by rotation."

BY ORDER OF THE BOARD

PLACE : MUMBAI

G.D.SINGI

DATE : 20th April 1999

CHAIRMAN

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NOTES :

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member of the company. Proxies in order to be effective, must be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.
2. The Register of Members and the Share Transfer Books of the Company will remain closed from Friday, the 21st May, 1999 to Tuesday, the 25th May, 1999 (both days inclusive).
3. Members are requested to bring their copy of Annual Report and Attendance slip with them at the Annual General Meeting;

ANNEXURE TO NOTICE :

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT 1956

As required by Section 173(2) of the Companies Act, 1956 the following explanatory statement sets out the material facts relating to the business mentioned in Item No.4 of the accompanying notice.

ITEM NO. 4

Shri G.P. Jhawar was appointed as an Additional Director of the Company by the Board of Directors on 30th March 1999 pursuant to Article 92 of the Articles of Association of the Company and Section 260 of the Companies Act, 1956, he holds office as Director upto the date of this Annual General Meeting. Shri G.P. Jhawar is eligible for appointment and the Company has received notice from some members signifying their intention to propose the candidature of Shri G.P. Jhawar as Director of the Company pursuant to Section 257 of the Companies Act, 1956. Your directors recommend the resolution to be passed.

AVS INDUSTRIES LIMITED**DIRECTORS' REPORT TO THE MEMBERS**

The Directors present herewith the 15th Annual Report of the company together with the Audited Statements of Accounts for the year ended 31st March, 1999.

FINANCIAL RESULTS

	1998-99 Rs.	1997-98 Rs.
Sales and other Income	9,92,32,759	57,86,01,690
Profit /(Loss) before Interest and Depreciation	(1,62,13,437)	2,48,02,633
Less :Interest & Finance charges	(10,96,37,183)	(7,93,99,041)
Less :Depreciation	(1,47,42,844)	(1,09,07,158)
Profit /(Loss) before Taxation	(14,05,93,464)	(6,55,03,566)
Less : Provision for Taxation	—	—
Profit /(Loss) after Taxation	(14,05,93,464)	(6,55,03,566)
Add: i) Excess /(Short) provision for income Tax.	—	(2,09,150)
ii) Transfer from Reserves	1,65,50,000	—
iii) Balance profit/(Loss) b/f from Previous Year	(3,10,14,708)	3,46,98,008
Balance carried to Balance Sheet	(15,50,58,172)	(3,10,14,708)

DIVIDEND

In view of losses the directors regret their inability to recommend any dividend.

OPERATIONS

During the year under review sales and conversion charges were Rs.983.97 Lacs as against Rs.5778.52 Lacs of previous year. The operations for the year under review resulted in a net loss of Rs.1405.93 Lacs. The main reason for company's dismal performance during the year is continuous recession in the Steel Industry.

REFERENCE TO BOARD FOR INDUSTRIAL & FINANCIAL RECONSTRUCTION (BIFR).

In view of total erosion of net worth of the company your directors have formed an opinion in the Board Meeting dated 20th April 1999 that the company has become sick u/s 3(1) (O) of the sick Industrial Companies (Special provisions) Act 1985 (SICA) and company has to make a reference to BIFR u/s.15(1) of the said Act.

DEPOSITS

The company has not invited or accepted any Public Deposits during the year.

DIRECTORS

Shri G.D.Singi, Director of the Company retires by rotation and being eligible offers himself for re-appointment.

The nomination of Shri M.T. Chiddarwar was withdrawn by SICOM Ltd. and consequently Shri M.T. Chiddarwar ceased to be a director of the Company with effect from 30th January 1999. The Board has recorded with appreciation the valuable services rendered by Shri M.T. Chiddarwar during his tenure as a director of the company.

Shri V.D. Goenka and Shri A.V. Singi resigned from their directorship during the year. The Board places on record its appreciation for the valuable services rendered by them during their tenure as a director of the Company.

Shri G.P. Jhavar was appointed as an additional director of the Company by the Board of Directors in their meeting held on 30th March 1999 and retires at the ensuing Annual General Meeting. The Company has received a requisite notice under section 257 of the Companies Act, 1956 from a member signifying his intention to propose the candidature of Shri G.P. Jhavar for the office of the director, he is eligible for appointment.

PARTICULARS OF EMPLOYEES

Particulars in accordance with requirement of Section 217(2A) of the Companies Act, 1956 read with the Companies



AVS INDUSTRIES LIMITED

(Particulars of Employees) Rules, 1975 as amended have not been furnished as there was no employee in the aforesaid category during the year.

STATUTORY INFORMATION

Information in accordance with the provisions of Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 requiring disclosure of particulars regarding Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo is given in the prescribed format annexed hereto (Annexure I) and forms part of this report.

AUDITOR'S REMARKS

The observations made by the auditors with reference to notes to the Accounts for the year under report are self explanatory and need no further comments from the Directors.

AUDITORS

M/s. Khandelwal Jain & Co., Chartered Accountants, the Auditors of the Company will retire at the forthcoming Annual General Meeting and are eligible for re-appointment. The Company has received a certificate from the Auditors to the effect that their re-appointment, if made would be within the prescribed limits under Section 224(1-B) of the Companies Act, 1956. The members are requested to appoint the Auditors and fix their remuneration.

ACKNOWLEDGMENTS

Your Directors place on record their appreciation of the valuable Co-operation and support of Customers, Shareholders, Company's Banker, Financial Institutions and Government Authorities. The Board also places on record its profound admiration and sincere appreciation of the continued hard work put in by the employees and workers at all levels.

FOR AND ON BEHALF OF THE BOARD

PLACE : MUMBAI

DATE : 20th April, 1999

G.D.SINGI

CHAIRMAN

ANNEXURE TO THE DIRECTOR'S REPORT

ANNEXURE - I

Information in accordance with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules 1988.

(A) CONSERVATION OF ENERGY

(a) Energy conservation measures taken :

The Company is committed to conserving energy and making best use of it. Various measures like providing automatic power factor controllers, replacing Diodes, improving efficiency of H.F. Welder by provision of efficient cooling tower, trial runs of energy conserving devices etc. were undertaken.

(b) Additional investments and proposals, if any, being implemented for reduction in consumption of energy : Nil

(c) Impact of the measures at (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods :

Since energy accounts for a significant part of the total overhead cost to the Company, the measures taken have contributed to a good extent in terms of amount, though they have definitely reduced and helped to arrest the cost.

(d) Details of total energy consumption and energy consumption per unit of production :

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As per Form 'A' given below :

FORM 'A'**POWER AND FUEL CONSUMPTION**

	1998-99	1997-98
1. Electricity		
(a) Purchased		
Units (KWH)	6,62,565	7,26,453
Total Amount (Rs.in Lacs)	31.90	32.05
Rate per Unit (Rs.)	4.81	4.41
(b) Own Generation		
i) Through Diesel Generator		
Units (KWH)	2448	2892
Diesel Oil (Rs. in Lacs)	0.28	0.33
Cost per unit (Rs.)	11.43	11.38
ii) Through Steam/Turbine	Nil	Nil
Generator Units (KWH)		
Unit per Ltr. of fuel		
Oil / Gas		
Cost per unit (Rs.)		
2. Coal (Specify quality & where used)	Nil	Nil
Quantity (Tonnes)		
Total Cost (Rs. in lacs)		
Average Rate (Rs.)		
3. Furnace Oil LDO		
Quantity (Ltrs)	2,73,000	2,39,970
Total Cost (Rs.in Lacs)	22.32	18.12
Average Rate (Rs.)	8.18	7.55
4. Others (L/D. Oil)	Nil	Nil
Quantity (Ltrs.)		
Total Cost (Rs.in lacs)		
Average Rate (Rs.)		

(B) TECHNOLOGY ABSORPTION, ADOPTION AND INNOVATION :

1. Efforts made in brief towards technology absorption, adoption and innovation :

Priority has been accorded to absorption and adoption of technology and the company has made significant efforts to achieve efficiencies.

2. Benefits derived as a result of the above efforts, e.g. product improvement, cost reduction, product development import substitution, etc. as mentioned above.

3. Imported technology :

Nil

Nil

(C) FOREIGN EXCHANGE EARNINGS AND OUTGO;

Total Foreign Exchange earned :

Rs. Nil

Rs. 11,52,622

Total Foreign Exchange used :

Rs. Nil

Rs. 1,35,40,924