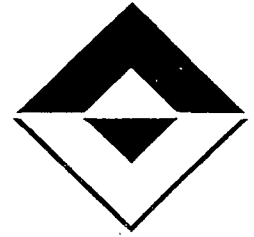


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CS	<input checked="" type="checkbox"/>		DET	<input checked="" type="checkbox"/>
RO	<input checked="" type="checkbox"/>		DEV	<input checked="" type="checkbox"/>
TRA	<input checked="" type="checkbox"/>		AC	<input checked="" type="checkbox"/>
AGM	<input checked="" type="checkbox"/>		SHE	<input checked="" type="checkbox"/>
YE	<input checked="" type="checkbox"/>			



10TH ANNUAL REPORT 1997

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AMCO VINYL LIMITED



AMCO VINYL LIMITED

BOARD OF DIRECTORS

S. K. GUPTA	Chairman cum Managing Director
RAJEEV GUPTA	
S. R. PAHWA	
S. C. GOYAL	
S. K. MITTAL	Nominee Director - PICUP
ABDUL JABBAR	Nominee Director - IDBI
ANIL BHARGHAWA	Executive Director

BANKERS

Punjab National Bank
Lawrance Road,
DELHI

AUDITORS

D. C. Jain & Associates
Chartered Accountants
A-14/3, Jamna Bhawan, IInd Floor,
Asaf Ali Road, New Delhi-110 002

COMPANY SECRETARY

V. K. GUPTA

REGISTERED OFFICE

10685/2, Nabi Karim
Jhandewalan Road
New Delhi-110 055

WORKS

Unit - I

C-53-54, Sector - 57
NOIDA - 201 301 (U.P.)

Unit - II

7th Milestone
Bhiwadi-Alwar Highway
Bhiwadi, Distt. Alwar
RAJASTHAN

SHARE TRANSFER AGENTS

B. M. GLOBAL CAPITAL LTD.
A-69, Vijay Block, Laxmi Nagar
Delhi - 110 092



AMCO VINYL LIMITED

Regd. Office: 10685/2, Nabi Karim, Jhandewalan Road, New Delhi - 110 055

NOTICE

NOTICE is hereby given that the 10th Annual General Meeting of the members of the Company will be held at Saraswati Farm House, Vill. Ghitorni, Mehrauli, New Delhi-110 030 on Monday, the 29th September, 1997 at 11.00 A. M. to transact the following business. :

AS ORDINARY BUSINESS :

1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 1997 and Profit and Loss Account for the year ended on that date and reports of Directors and Auditors thereon;
2. To consider declaration of dividend on Equity Shares for the year ended 31st March, 1997.
3. To appoint a Director in place of Mr. Rajeev Gupta, who retires by rotation and is eligible for re-appointment.
4. To appoint a Director in place of Mr. S. R. Pahwa, who retires by rotation and is eligible for re-appointment, and
5. To consider and if thought fit, pass with or without modification(s) the following Resolution as a Special Resolution. "RESOLVED THAT pursuant to the provisions of section 224A and other applicable provisions, if any, of the Companies Act, 1956, M/s D. C. Jain & Associates, Chartered Accountants be and are hereby re-appointed as Auditors of the Company, to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting of the Company at a remuneration to be fixed by the Board of Directors."

AS SPECIAL BUSINESS :

6. To consider and if thought fit, to pass with or without modification, the following resolution as a Special Resolution :- "RESOLVED THAT in accordance with the provisions of Section 198, 309, 310 and 314 read with all other applicable provisions of the Companies Act, 1956 the company hereby approves the increase in the remuneration of Mr. Rajeev Gupta, the Director of the company from Rs. 5,000/- per month to Rs. 8,000/- per month with effect from 1st January, 1997."
7. To consider and if thought fit, to pass with or without modification, the following resolution as a Special Resolution:- "RESOLVED THAT in accordance with the provisions of Section 198, 309, 310 and 314 read with all other applicable provisions of the Companies Act, 1956 the company hereby approves the increase in the remuneration of Mr. S. R. Pahwa, the Director of company from Rs. 11,000/- per month to Rs. 20,000/- per month with effect from 1st April, 1997."

By Order of the Board

For AMCO VINYL LIMITED

(SURENDER KUMAR GUPTA)
Chairman-cum-Managing Director

Place : New Delhi.

Dated : 20th August, 1997.

NOTES:

1. A MEMBER OF THE COMPANY ENTITLED TO ATTEND AND VOTE AT THE SAID 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, if any, in order to be effective, must be received at the Registered Office of the company not later than forty-eight hours before the time fixed for holding the meeting. Proxies shall not have any right to speak at the meeting.
2. The Register of Members and Share Transfer Books of the company shall remain closed from Tuesday, September 23, 1997 to Monday, September 29, 1997 (both days inclusive)
3. The Explanatory statement pursuant to section 173 (2) of the Companies Act, 1956, in respect of item nos. 6 and 7 of the notice is given below and forms part thereof.
4. Members who are holding shares in identical order of names in more than one folio or joint accounts in same order are requested to intimate the company's transfer agent the folios of such accounts to enable the company to consolidate their holdings in one folio.
5. Members are requested to notify immediately any change in their address, quoting folio No. to the Registrar and share Transfer Agents of the company.



AMCO VINYL LIMITED

6. Members are requested to bring their copy of Annual Accounts at the meeting as no extra copies would be distributed at the meeting.
7. The dividend for the financial year 1996-97 will be paid after its declaration at this meeting, to those members whose names appear on the Register of Members of the Company as on the date of Annual General Meeting.
8. With a view to provide protection against fraudulent encashment of dividend warrant, the shareholders are requested to provide their Bank Account No. Name of bank and branch to enable the company to incorporate the said details in the dividend warrants.
9. **AS PER THE DECISION OF THE BOARD, NO GIFTS WILL BE DISTRIBUTED AT THE MEETING.**

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

Item No. 6 :

Mr. Rajeev Gupta, the Director of the company is devoting his considerable time in managing the affairs of the company. The last increase in his remuneration was made on 1st April, 1994. Hence it was decided to increase his remuneration from Rs. 5,000/- per month to Rs. 8,000/- per month with effect from 1st January, 1997.

The Board recommends the acceptance of this Resolution.

Item No. 7 :

Mr. S. R. Pahwa, the director of the company is looking after all the technical aspects of the company's PVC Films, Sheetings, Vinyl Floorings and PVC Leather Cloth unit at Noida. The last increase in his remuneration was made on 1st April, 1995. Hence it was decided to increase his remuneration from Rs. 11,000/- per month to Rs. 20,000/- per month with effect from 1st April, 1997.

The Board recommends the acceptance of this Resolution.

Place : New Delhi

Dated : 20th August, 1997.

By Order of the Board
For AMCO VINYL LTD.

Report



Junction

(SURENDER KUMAR GUPTA)
Chairman-cum-Managing Director



AMCO VINYL LIMITED

DIRECTORS' REPORTS

To The Members.

Your Board of Directors have pleasure in placing before you their Annual Report and the Audited Accounts for the year ended. 31st March 1997.

FINANCIAL RESULTS :

	<i>(Rupees in lacs)</i>	
	<u>1996-97</u>	<u>1995-96</u>
Net Sales	2386.27	2114.19
Other Income	51.09	11.28
Total Income	2437.36	2125.47
Total Expenditure	2195.38	1914.91
Interest	57.02	54.66
Gross Profit after interest but before depreciation and taxation	184.96	155.90
Depreciation	43.78	27.67
Net Profit Before Taxation	141.18	128.23
Provision for Taxation & Paid	21.22	18.00
Profit for the Year	119.96	110.23
Balance brought from last year	205.78	150.18
Net Profit Available for Appropriations	325.74	260.41
Proposed Dividend @ 10%	(41.08)	(39.63)
Transfer to General Reserve	(15.00)	(15.00)
Profit appropriation carried over to next year	269.66	205.78

DIVIDEND :

Having regard to the surplus available for the year under review, your Directors recommend payment of a dividend @ 10% for the year ended 31st March, 1997 which if approved at the forthcoming Annual General Meeting will be paid out of the Profits of the company for the said year to all those shareholders, whose names appear on the Register of Members as on the date of Annual General Meeting.

PERFORMANCE OF THE COMPANY :

The Board expressed satisfaction over the performance of company's unit of PVC Films Sheetings, and PVC Leathercloth at Noida during the year.

Your Directors are very pleased to inform you that the commercial production in both the company's units at Bhiwadi (Rajasthan) i.e. Metallizing Film Plant and the ALUMINIUM FOIL Plant have successfully started during the year. The company has also received encouraging response from the market. Overall, barring unforeseen circumstances, your Company is expected to show good performance during the next year.

INFORMATION UNDER LISTING AGREEMENT WITH STOCK EXCHANGES :

	<u>Projected</u>	<u>Actual</u>
Total Income	3305.20	2437.36
Net Profit	291.44	119.96
E. P. S. (Rs.)	5.39	2.92
Book Value (Rs.)	27.36	24.80
Utilization of Funds (Projects)	713.00	713.00

The projections could not be achieved due to under utilization of production capacity of Metallizing Plant.

DIRECTORS :

In accordance with the requirement of the Companies Act, 1956 and Articles of Association of the company, Shri Rajeev Gupta, Director and Shri S. R. Pahwa, Director of the company shall retire by rotation and are eligible for re-appointment.

PARTICULARS OF EMPLOYEES :

Information in accordance with subsection 2A of section 217 of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 is NIL because none of the employee was drawing Rs. 3,00,000/- p.a. or more during the period under review.

AUDITORS :

The Notes on Accounts referred to in the Auditors Report are self-explanatory and, therefore, do not call for any further comments under section 217 (3) of the Companies Act, 1956.

The auditors, M/s D. C. Jain & Associates, Chartered Accountants, retire at the conclusion of this Annual General Meeting and being eligible, offer themselves for re-appointment. They have furnished a certificate that their re-appointment, if made, will be in accordance with the provisions of sub-section (1B) of section 224 of the Companies Act, 1956.

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

Information pursuant to Section 217 (1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in respect of Report of Board of Directors) Rules, 1988 relating to the foregoing matters is given by way of an Annexure to this report.

ACKNOWLEDGEMENTS :

Yours Directors wish to place on record their appreciation of the assistance and co-operation extended to the company by such apex institutions like IDBI, PICUP, UPFC, Company's Bankers, Central & State Governments, shareholders and all others whose continued support has been a source of strength to the Company. Your Directors also wish to place on record their sincere appreciation of the devotion and dedicated efforts put in by the employees at all levels.

By Order of the Board

New Delhi
20th August, 1997

(SURENDER KUMAR GUPTA)
Chairman-cum-Managing Director



AMCO VINYL LIMITED

ANNEXURE TO THE DIRECTOR'S REPORT

Information under 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.

I. CONSERVATION OF ENERGY

The total energy consumption and energy consumption per unit of production

A. Power & Fuel Consumption	1996-97	1995-96
1. Electricity		
(a) Purchased		
(i) Unit (KWH in thousand)	1963.08	1620.00
(ii) Total Amount Rs. in Lacs	72.09	52.48
(iii) Rate/Unit Rs.	3.67	3.24
(b) Own Generation		
Through Diesel Generator		
(i) Unit (KWH in thousand)	1126.30	612.00
(ii) Cost/Unit Rs./KWH	2.27	2.36
2. L. D. O.		
(i) Quantity K. Ltr.	461.00	350.00
(ii) Total cost Rs./Lacs	33.18	21.21
(iii) Average Rate Rs./MT.	7.20	6.06
3. Other/Internal Generation	N. A.	N. A.
B. Consumption of Electricity per Unit of Production		
(1) Electricity (KWH/M. T.)		
PVC Film / Sheeting / Metalised Film & Aluminium Foil	0.48	0.47
(2) L. D. O.		
PVC Film / Sheeting / Metalised Film & Aluminium Foil	0.11	0.10

II. TECHNOLOGY ABSORPTION

A. Research and Development

No Research and Development work has been carried out by the Company and therefore there is no expenditure on this head, nor any other benefit derived from it.

B. Technology Absorption

The Company has neither entered into any technical collaboration with any foreign country nor imported any technology from any foreign country, organisation.

III. FOREIGN EXCHANGE EARNING AND OUTGO

	1996-97	1995-96
Foreign Exchange earning (Rs. in Lacs)	9.35	Nil
Foreign Exchange outgo (Rs. in Lacs)	5.35	152.73



AMCO VINYL LIMITED

AUDITOR'S REPORT

The Members of
M/s Amco Vinyl Limited,
New Delhi.

We have audited the attached Balance Sheet of M/s Amco Vinyl Limited as at 31st March, 1997 and the Profit & loss Account for the year ended on that date, annexed thereto and report that :-

1. As required by the Manufacturing and other Companies (Auditor's Report) Order, 1988 issued by the Company Law Board in terms of Section 227 (4A) of the Companies Act 1956, we enclose in the Annexure hereto a statement on the matters specified in paragraphs 1 and 5 of the said order on the basis of such checks as we considered appropriate and according to information and explanations given to us.
2. Further to our comments in the Annexure referred to in Paragraph 1 above, we state that :
 - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion the proper books of accounts as required by law have been kept by the Company so far as appears from our examination of such books.
 - c) That Balance Sheet and Profit & Loss Account referred to in this report are in agreement with the books of account.
 - d) In our opinion and to the best of our information, the said Balance Sheet and Profit & Loss Account read together with the notes thereon give the information required by the Companies Act 1956, in the manner so required and give a true and fair view :-
 - (i) in so far as it relates to the Balance Sheet, of the state of affairs of the Company as at 31st March, 1997 and
 - (ii) in so far as it relates to the Profit and Loss Account of the profit of the Company for the year ended on that date.

for **D. C. JAIN & ASSOCIATES**
Chartered Accountants

Place : New Delhi
Date : 28th June, 1997

(D. C. JAIN)
Proprietor



AMCO VINYL LIMITED

ANNEXURE TO THE AUDITORS' REPORT TO THE MEMBERS OF M/S. AMCO VINYL LIMITED : NEW DELHI

Referred to in paragraph 1 of our report of even date.

1. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets. All the assets have not been physically verified by the management during the year but there is a regular programme of verification which in our opinion is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on verification.
2. None of the Fixed Assets have been revalued during the year.
3. The Stock, of finished goods, 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.
4. The procedures of physical verification of stock followed by the Management are reasonable and adequate in relation to the size of the Company and the nature of its business.
5. The discrepancies noticed on verification between the physical stock and book records were not material which have been properly dealt with in the accounts.
6. As per the information given to us and on the basis of the examination of stock records, we are of the opinion that the valuation of stocks is fair and proper and in accordance with the normally accepted accounting principles. The Closing Stock of Raw material, with out considering the mod-vat effect has been valued on the Weighted Average of the whole year the Finished Goods have been valued at the estimated cost price.
7. As per the information made available to us, the Company has taken loan from the Companies, firms or other parties listed in the register maintained under section 301 and from the companies under the same management as defined under section 370 of the Companies Act are not prima facie prejudicial to the interest of the Company.
8. Advances or trade advances have been given to the Companies, firms and other parties listed in the Register maintained under section 301 of the Companies Act 1956. No loans and advances have been given to the Companies under the same management as defined under section 370 of the Act.
9. In respect of loans and advances in the nature of loans given by the company to employees, they are repaying the principal amount as stipulated and no interest has been charged on such advances.
10. In our opinion and according to the information and explanations given to us, there is an adequate system of internal control procedure commensurate with the size of the Company and the nature of its business with regard to purchase of stores, raw materials including components, plant and machinery equipment and other assets with regard to the sale of goods.
11. In our opinion, the price for purchase of finished goods and job work charges in excess of Rs. 50,000/- in value for each type from firms or companies or other parties in which directors are interested as listed in the register maintained under section 301 of the Companies Act 1986, are reasonable as compared to the purchase of similar items purchased from other parties.
12. The Company has regular procedure for the determination of unserviceable or damaged stores, raw material and finished goods. Adequate provisions are made in the books of accounts for the loss arising on the items so determined if any.
13. In our opinion and explanations given to us, the company has not accepted any deposits from public in terms of section 58 A of the Companies Act 1956 and the Companies (Acceptances of Deposits) Rule 1975 are complied with.
14. In our opinion, reasonable records have been maintained by the Company for the sale and disposal of realisable scrap.



AMCO VINYL LIMITED

15. In our opinion, the Company has an internal audit system commensurate with size and nature of its business.
16. We are also informed that the maintenance of cost records has not been prescribed by the Central Government under section 209 (1) (d) of the Companies Act, 1956 for the products of the Company and as such no accounts and records have been made and maintained.
17. According to the records of the Company, Employee State Insurance dues have been regularly deposited during the year with appropriate authorities.
18. No undisputed amounts payable in respect of Income Tax, Wealth Tax, Sales Tax, Custom Duty, Excise Duty were outstanding as at 31st March, 1997 for a period of more than six months from the date they become payable.
19. No personal expenses of employees or directors have been charged to revenue account, other than those payable under contractual obligation or in accordance with generally accepted business practices.
20. The Company is not a sick industrial company with in the meaning of clause(0) of Sub-section (1) of Section 3 of the Sick Industrial Companies (Special Provisions Act.) 1985.

for **D. C. JAIN & ASSOCIATES**
Chartered Accountants

Place : New Delhi
Date : 28th June, 1997

(D. C. JAIN)
Proprietor

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AMCO VINYL LIMITED

BALANCE SHEET AS AT 31ST MARCH, 1997

PARTICULARS	SCHEDULE	CURRENT YEAR (Rs.)	PREVIOUS YEAR (Rs.)
SOURCES OF FUNDS			
I. SHAREHOLDERS FUNDS :			
a.) Share Capital	'I'	4,10,81,300.00	4,10,73,500.00
b.) Reserve & Surplus	'II'	5,67,04,035.16	4,88,08,268.57
Sub Total 'A'		9,77,85,335.16	8,98,81,768.57
II. LOAN FUNDS :			
a.) Secured Loans	'III'	6,41,04,237.89	5,04,10,272.25
b.) Unsecured Loans	'IV'	60,00,000.00	25,00,000.00
Sub Total 'B'		7,01,04,237.89	5,29,10,272.25
TOTAL : 'A+B'		16,78,89,573.05	14,27,92,040.82
APPLICATION OF FUNDS :			
I. FIXED ASSETS :			
Gross Block	'V'	13,75,94,383.76	10,85,42,691.92
Less Depreciation		1,15,86,320.87	73,06,797.63
Sub Total 'A'		12,60,08,062.89	10,12,35,894.29
II. INVESTMENT :			
2,000 Bonds of S.B.I		2,00,000.00	2,00,000.00
Sub Total 'B'		2,00,000.00	2,00,000.00
III. CURRENT ASSETS, LOANS & ADVANCES :			
a.) Inventories	'VI'	2,59,66,240.03	1,15,46,452.00
b.) Sundry Debtors	'VII'	3,45,15,343.69	4,07,45,664.09
c.) Cash & Bank Balances	'VIII'	9,64,606.08	17,21,298.56
d.) Loans & Advances	'IX'	1,87,13,376.74	1,30,16,435.37
Sub Total 'C'		8,01,59,566.54	6,70,29,850.02
IV. CURRENT LIABILITIES & PROVISIONS :			
a.) Liabilities	'X'	3,51,10,726.56	2,46,57,115.76
b.) Provisions	'XI'	66,95,590.00	61,58,324.49
Sub Total 'D'		4,18,06,316.56	3,08,15,440.25
NET CURRENT ASSETS 'E' = 'C' - 'D'		3,83,53,249.98	3,62,14,409.77
V. MISCELLANEOUS EXPENDITURE :			
(To the extent not written off or adjusted)			
Preliminary & Share Issue Expenses		33,28,260.18	51,41,736.76
Sub Total 'F'		33,28,260.18	51,41,736.76
TOTAL (A+B+E+F)		16,78,89,573.05	14,27,92,040.82

Notes on the Balance Sheet

'XV'

on behalf of the Board

S. K. Gupta
Rajeev GuptaChairman Cum Managing Director
Director**AUDITORS' REPORT**

As per our report of even date annexed

for D. C. JAIN & ASSOCIATES
Chartered AccountantsPlace : New Delhi
Date : 28th June, 1997(D. C. JAIN)
Proprietor