



AMCO VINYL LIMITED

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CS	<input checked="" type="checkbox"/>		DPY	<input checked="" type="checkbox"/>
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11TH ANNUAL REPORT 1998





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 BHARGAVA	Executive Director
PRAFULL BHUVA	Additional Director
D. K. GUPTA	Additional Director

COMPANY SECRETARY

V. K. GUPTA

BANKERS

Punjab National Bank
Lawrence Road,
DELHI

AUDITORS

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

REGISTERED OFFICE

10685/2, Nabi Kareem
Jhandewalan Road
New Delhi-110 055
Ph. : 7538652, 7536320

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 DEPARTMENT

A-4 TO 7, Sector - 9
NOIDA - 201 301 (U.P.)



AMCO VINYL LIMITED

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

NOTICE

NOTICE is hereby given that the 11th Annual General Meeting of the members of the Company will be held at Saraswati Farm House, Vill. Ghitorni, Mehrauli, New Delhi-110 030 on Thursday, the 24th September, 1998 at 11.30 A. M. to transact the following business. :

AS ORDINARY BUSINESS :

1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 1998 and Profit and Loss Account for the year ended on that date and reports of Directors and Auditors thereon.
2. To appoint a Director in place of Shri. S. R. Pahwa, who retires by rotation and is eligible for re-appointment.
3. To appoint a Director in place of Shri. S. C. Goyal, who retires by rotation and is eligible for re-appointment.
4. To appoint a Director in place of Shri. Anil Bhargava, who retires by rotation and is eligible for re-appointment.
5. To consider & if thought fit, to 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 & if thought fit, to pass with or without modification(s) the following Resolution as an ordinary resolution: "RESOLVED THAT Shri Prafull Bhuva, who was appointed as an additional director of the Company pursuant to Article No. 89 of the Articles of Association of the Company and who according the section 260 of the Companies Act, 1956, holds office upto the date of this Annual General Meeting and in respect of whom the company has received a notice in writing from a member proposing his candidature for the office of Director pursuant to Section 257 of the Companies Act, 1956, be and is hereby appointed as a Director of the Company."
7. To consider & if thought fit, to pass with or without modification(s) the following Resolution as an ordinary resolution: "RESOLVED THAT Shri D. K. Gupta, who was appointed as an additional director of the Company pursuant to Article No. 89 of the Articles of Association of the Company and who according the section 260 of the Companies Act, 1956, holds office upto the date of this Annual General Meeting and in respect of whom the company has received a notice in writing from a member proposing his candidature for the office of Director pursuant to Section 257 of the Companies Act, 1956, be and is hereby appointed as a Director of the Company."

8. Alteration in the Articles of Association of the Company :

To consider and, if thought fit, to pass the following resolution as Special Resolution :

"RESOLVED THAT Pursuant to section 31 and all other applicable provisions, if any, of the Companies Act, 1956, the Articles of Association of the Company be altered in the following manner :

Insert the following article as article 33 A after article 33:

'BUY BACK OF SHARES'

33A Notwithstanding anything contained in these Articles, in the event it is permitted by law for a company to purchase its own shares, the Board of Directors may, when and if thought fit, buy back such of the company's own shares as it may think necessary, subject to such limits, upon such terms and conditions, and subject to such approvals, as may be, permitted by the law.

9. Buy Back of Shares :

To consider &, if thought fit, to pass with or without modification the following resolution as a Special Resolution : "RESOLVED THAT if and when permitted by the law and subject to all applicable provisions of the law and subject to such other approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be considered necessary by the Board of Directors of the Company or as may be required to be incorporated while granting such approvals, permissions which may be agreed to or accepted by the Board, the consent of the shareholders be and is hereby accorded to the Board to purchase such number of Equity shares of the company as may be permitted by law from such funds of the company as are permitted to be used for this purpose or by fresh issue of shares or other means as are permitted to be used for this purpose, on such terms and subject to such conditions as may be prescribed by the law"

"FURTHER RESOLVED that for the purpose of giving effect to this Resolution, the Board be and is hereby authorised to do all such acts and things and to give such directions as may be necessary or desirable and to settle all questions or difficulties whatsoever that may arise in connection with the purchase of the Equity Share of the Company."

"FURTHER RESOLVED that nothing hereinabove contained shall confer any right on any shareholder to offer or any obligation on the company or the Board to buy back any Equity Shares of the company."

By Order of the Board

For AMCO VINYL LIMITED

Place : New Delhi.

Dated : 20th August, 1998.

(SURENDER KUMAR GUPTA)
Chairman-cum-Managing Director



AMCO VINYL LIMITED

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 Thursday September 17, 1998 to Thursday, September 24, 1998 (both days inclusive).
3. The Explanatory Statement pursuant to section 173(2) of the Companies Act, 1956, in respect of item nos. 6 to 9 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 at its registered office 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 company as its registered office.
6. **Members are requested to :**
 - a) bring their copy of Annual Accounts at the meeting as no extra copies would be distributed at the meeting; and
 - b) send their queries, if any, to reach the company's registered office at New Delhi at least 10 days before the date of the Meeting so that information can be made available at the Meeting.
7. **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 & Item No. 7 :

During the year Shri Prafull Bhuvra and Shri D. K. Gupta were appointed as Additional Directors of the Company with effect from 27th October, 1997 according to Section 260 of the Companies Act, 1956 and Article 89 of the Articles of Association of the company. Accordingly their term expires at this Annual General Meeting.

The Company has received a notice under section 257 of the Companies Act, 1956 from a member signifying his intention to propose Shri Prafull Bhuvra and Shri D. K. Gupta as candidates for the office of Director at the ensuing annual General Meeting.

The Board considers that their appointment as Directors would be in the interest of the company and therefore recommends their appointments.

None of the Directors except Shri Prafull Bhuvra and Shri D. K. Gupta are interested in the resolution.

Item No. 8

Presently a company is prohibited from buying its own shares. It is proposed to introduce a new Article 33-A in the Articles of Association as set out in the resolution at item 8 to enable the company to purchase any of its own shares as proposed in the Resolution at item no. 9 in the event it is permissible by law.

Item No. 9

Presently, the companies Act, 1956, prohibits a company from purchasing its own shares and securities. However it is anticipated that the law in future may permit a company to buy its own securities (buy back of securities).

Subject to the legal permissibility of the buy back of securities, it is proposed to enable the company to buy back its Equity shares from the members of the company either from the open market or from the holders of odd lots or as may be permitted by the law. The buy back of shares would be at the rate and from the funds permitted by the law as set out in the Resolution.

The Resolution, if approved, will be operative for and will be given effect to from the date of passing or such other time limit laid by the law.

The board of Directors recommends the resolution for approval by the members.

None of the Directors of the company is concerned or interested in this Resolution.

By Order of the Board

For AMCO VINYL LIMITED

Place : New Delhi

Dated : 20th August, 1998.

(SURENDER KUMAR GUPTA)
Chairman-cum-Managing Director



AMCO VINYL LIMITED

DIRECTORS' REPORT

To The Members,

Your directors are pleased to present their Eleventh Annual Report together with the audited accounts of your company for the year ended 31st March, 1998.

FINANCIAL RESULTS & PERFORMANCE OF THE COMPANY :

(Rupees in lacs)

	1997-98	1996-97
Net Sales	3530.23	2386.27
Other Income	127.07	51.09
Total Income	3657.30	2437.36
Total Expenditure	3480.55	2195.38
Interest	148.82	57.02
Gross Profit after interest but before depreciation and taxation	27.93	184.96
Depreciation	70.63	43.78
Net Profit/(Loss) Before Taxation	(42.70)	141.18
Provision for Taxation & Paid	4.56	21.22
Net Profit/(Loss) for the Year	(47.26)	119.96
Balance brought from last year	269.66	205.78
Net Profit Available for Appropriations	222.40	325.74

DIVIDEND :

In view of the net loss suffered by the company and there being a need to conserve the resources, your Directors do not recommend any dividend for the year under review.

PERFORMANCE OF THE COMPANY :

The board expressed satisfaction over the performance of the company. The Net Sales of the company has risen by 48% as compared to last year. But due to the IDBI's interest burden of Rs. 86 lacs and depreciation and Trial Run Expenses of the company's subsequently set up Aluminium Foil unit at Bhiwadi, the company could not achieve the projected profit.

However, barring unforeseen circumstances, your company is hopeful of showing good performance during the next year. All the units of the company are functioning well.

INFORMATION UNDER LISTING AGREEMENT WITH STOCK EXCHANGES :

	Projected	Actual
Total Income	3416.80	3657.30
Net Profit/(Loss)	296.93	(47.26)
E. P. S. (Rs.)	5.35	-----
Book Value (Rs.)	30.71	22.68
Utilization of Funds (Projects)	713.00	713.00

The total Income of the company has exceeded the projected figure. However, the variation from the projected profits has happened as the company subsequently set up Aluminium Foil Manufacturing Unit at Bhiwadi where the Trial run expenses, depreciation and interest charges had to be absorbed during the year.

DIRECTORS :

During the year, Shri Prafull Bhuva, and Shri D.K. Gupta were appointed as Additional Directors of the company. They vacate the office at this Annual General Meeting and being eligible, they offer themselves for re-appointment.

The Board recommends appointment of Shri Prafull Bhuva and Shri D.K. Gupta.

In accordance with the requirement of the Companies Act, 1956 and Articles of Association of the company, Shri S.R. Pahwa, Director, Shri S. C. Goyal, Director and Shri Anil Bhargava, 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 :

Your Directors place on record their appreciation of the co-operation and assistance extended by the various Government Authorities, IDBI, PICUP, UPFC, Company's Bankers etc. The Directors convey their sincere thanks for the continued support given to the company by the esteemed shareholders and all our valued customers. The Directors also acknowledge the dedication and hard work put in by the employees at all levels.

For and on behalf of the Board of Directors

New Delhi
27th July, 1998

(SURENDER KUMAR GUPTA)
Chairman-cum-Managing Director



AMCO VINYL LIMITED

ANNEXURE TO THE DIRECTORS' 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	1997-98	1996-97
1. Electricity		
(a) Purchased		
(i) Unit (KW)	3282.33	1963.08
(ii) Total Amount Rs. in Lacs	139.99	72.09
(iii) Rate/Unit Rs.	4.26	3.67
(b) Own Generation		
Through Diesel Generator		
(i) Unit (KW)	932.62	1126.30
(ii) Cost/Unit Rs.	2.90	2.27
2. L. D. O.		
(i) Quantity K. Ltr.	485.00	461.00
(ii) Total cost Rs. in Lacs	37.37	33.18
(iii) Average Rate Rs./Ltr.	7.70	7.20
3. Other/Internal Generation	N.A.	N. A.
B. Consumption of Electricity per Unit of Production		
(1) Electricity (KW/M. T.)		
PVC Film / Sheeting / Metalised Film & Aluminium Foil	0.59	0.48
(2) L. D. O.		
PVC Film / Sheeting / Metalised Film & Aluminium Foil	0.09	0.11

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

	1997-98	1996-97
Foreign Exchange earning (Rs. in Lacs)	—	9.35
Foreign Exchange outgo (Rs. in Lacs)	2.59	5.35



AMCO VINYL LIMITED

AUDITORS' 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, 1998 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 (Auditors' 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, 1998 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 : 27th June, 1998

(D. C. JAIN)
Proprietor