

25th

ANNUAL

REPORT

1998-99

Report  junction.com

APM INDUSTRIES LIMITED

APM INDUSTRIES LIMITED

BOARD OF DIRECTORS

R K RAJGARHIA
Chairman & Managing Director

P N KAPUR

R L TOSHNIWAL

K R GUPTA

H R SHARMA
Executive Director

**VICE PRESIDENT (FINANCE)-CUM-
COMPANY SECRETARY**

K G MAHESHWARI

AUDITORS

Chaturvedi & Company

BANKERS

Punjab National Bank
State Bank of Bikaner & Jaipur

SOLICITORS

Khaitan & Partners

HEAD OFFICE
2-Brabourne Road
Calcutta - 700 001

CORPORATE OFFICE
1010-Ansal Bhawan
16-Kasturba Gandhi Marg
New Delhi - 110 001

REGISTERED OFFICE & WORKS

SP-147, RIICO Industrial Area
Bhiwadi
Dist. Alwar (Rajasthan)

CONTENTS

1	Notice to the Members
3	Directors' Report
5	Auditors' Report
6	Balance Sheet
7	Profit & Loss Account
8	Schedules to Accounts
20	Cash Flow Statement

APM INDUSTRIES LIMITED

NOTICE TO THE MEMBERS

NOTICE is hereby given that the 25th Annual General Meeting of the Shareholders of APM Industries Limited will be held on Wednesday, the 29th day of September, 1999 at 11.00 a.m. at the Registered Office of the Company at SP-147, RIICO Industrial Area, Bhiwadi, Dist. Alwar (Rajasthan) to transact the following business :-

ORDINARY BUSINESS

1. To receive, consider and adopt the Balance Sheet as at 31st March, 1999 and the Profit and Loss Account for the year ended on that date and the Reports of Directors and Auditors thereon.
2. To declare Dividend for the year ended 31st March, 1999.
3. To appoint a Director in place of Shri P N Kapur who retires by rotation and, being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Shri H R Sharma who retires by rotation and, being eligible, offers himself for re-appointment.
5. To appoint the Auditors and fix their remuneration.

SPECIAL BUSINESS

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

"RESOLVED THAT in accordance with the provisions of Section 198, 269, 309 read with Schedule - XIII and all other applicable provisions of the Companies Act, 1956 consent of the Company be and is hereby accorded to the re-appointment of Shri R K Rajgarhia, as Chairman & Managing Director of the Company for a period of five (5) years w.e.f. August 1, 1999 upon the terms and conditions including remuneration as set out in the explanatory statement with liberty to the Board of Directors to alter and vary the terms and conditions of the said appointment so as not to exceed the limits specified in Schedule - XIII of the Companies Act, 1956 or any amendment thereto as may be agreed between Board of Directors and Shri R K Rajgarhia".

7. To consider, and if thought fit, to pass with or without modification the following resolution as a Special Resolution.

"RESOLVED THAT pursuant to the circular issued by The Securities and Exchange Board of India, the provisions of the Listing Agreement and subject to such conditions and modifications as may be imposed in granting such approvals and which may be agreed by the Board of Directors (Board), the consent of the Company be and is hereby accorded to delist the Equity Shares of the Company from The Calcutta Stock Exchange Association Limited with effect from January 1, 2000".

"FURTHER RESOLVED THAT the Board be and is hereby authorised to do all such acts, deeds, matters and things and to execute all such documents as it may deem necessary for the purpose of giving effect to the above Resolution".

8. To consider, and if thought fit, to pass with or without modification the following resolution as a Special Resolution.

"RESOLVED THAT pursuant to the circular issued by The Securities and Exchange Board of India, the provisions of the Listing Agreement and subject to such conditions and modifications as may be imposed in granting such approvals and which may be agreed by the Board of Directors (Board), the consent of the Company be and is hereby accorded to delist the Equity Shares of the Company from The Delhi Stock Exchange Association Limited with effect from January 1, 2000".

"FURTHER RESOLVED THAT the Board be and is hereby authorised to do all such acts, deeds, matters and things and to execute all such documents as it may deem necessary for the purpose of giving effect to the above Resolution".

Registered Office :

SP-147 RIICO Industrial Area,
Bhiwadi, Dist. Alwar (Rajasthan)

New Delhi
August 18, 1999

By Order of the Board

K G MAHESHWARI
V P (Finance)-Cum-
Company Secretary

NOTES

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER. PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LATER THAN FORTY EIGHT (48) HOURS BEFORE THE MEETING.
2. The explanatory statement pursuant to section 173(2) of the Companies Act, 1956 in respect of special business under item No.6 to 8 as set out above is annexed hereto.
3. The register of members and share transfer books of the Company shall remain closed from September 27, 1999 to September 29, 1999 (both days inclusive).
4. The Dividend, if declared, will be paid to those members whose name appears on the register of members on September 29, 1999.
5. To avoid the misuse of Dividend warrant, the shareholders are advised to send us the details of the Bank, its address, nature of account and the account number for printing on the Dividend warrant before October 15, 1999.
6. Pursuant to Section 205A of the Companies Act, 1956 all dividends upto the year 1994-95 which remained unclaimed, have been transferred to General Revenue Account of the Central Government. Members who have not encashed their dividend warrants for the said period, are requested to claim the amount from the Registrar of Companies, West Bengal, "Nizam Palace", 2nd Floor, 234/4 - AJC Bose Road, Calcutta - 700 020. Members who have not encashed their dividend warrants for the subsequent years may please write to the Company at 1010 - Ansal Bhawan, 16 - Kasturba Gandhi Marg, New Delhi - 110 001.
7. Sections 109A and 109B of the Companies Act, 1956 provides that a holder of shares in a Company may at any time nominate in the prescribed manner, a person to whom his shares in the Company shall vest in the event of his death. Those shareholders desiring to make nomination may write to the Company to obtain the relevant Form No.2B in this regard. This facility is available to individual shareholders including joint shareholders.

APM INDUSTRIES LIMITED

ANNEXURE TO THE NOTICE

Explanatory Statement Pursuant to Section 173(2) of the Companies Act, 1956

Item No.6

Shri R K Rajgarhia was appointed as Managing Director of the Company w.e.f. August 1, 1994 for a period of five years which term expired on July 31, 1999. Subsequently he was re-designated as Chairman & Managing Director. The Board at its meeting held on August 18, 1999 re-appointed Shri R K Rajgarhia as Chairman & Managing Director of the Company for a further period of five years w.e.f. August 1, 1999 subject to the approval of shareholders.

The principal terms and conditions governing the payment of remuneration of Shri R K Rajgarhia w.e.f. August 1, 1999 are as under :

1. **Salary:** Rs.80,000 per month in the scale of Rs. 80,000 - 10,000 - 1,20,000. The annual increment will be effective from 1st August every year.
2. **Commission :** At the rate of 2% of the net profit of the Company for any financial year (as computed in the manner laid down in Sections 349 and 350 of the Companies Act, 1956).
3. **Perquisites & Allowances :** In addition, he shall be entitled to the following perquisites:-
 - i) **Housing :** House Rent Allowance @ 60% of salary per month.
 - ii) Provision of furnishings and expenses pertaining to Gas, Electricity, Water and other utilities including repair will be borne/reimbursed by the Company.
 - iii) Expenses pertaining to security guards/watchmen, gardener, servants etc., shall be borne/reimbursed by the Company.
 - iv) **Medical Reimbursement :** Reimbursement of medical expenses (including insurance premium for medical and hospitalisation policy, if any) for self and family.
 - v) **Leave Travel Concession :** Leave Travel Concession for self and family once in a year to and from any place in India or outside India.
 - vi) **Club fees :** Fees in respect of Clubs will be subject to maximum of two Clubs.
 - vii) **Personal Accident Insurance :** Premium not to exceed Rs.5,000/- per annum.
 - viii) **Conveyance :** Free use of the Company's car with driver.
 - ix) **Telephone :** Telephone at residence. Personal long distance calls shall be billed by the Company.
4. **Gratuity :** Payable at a rate not exceeding half a month's salary for each completed year of services as per rules of the Company.
NOTE : Contribution to Gratuity will not be included in the computation of the remuneration to the extent these are not taxable under the Income Tax Act, 1961.
5. **Leave :** As per the rules of the Company but not exceeding one month's leave with full salary for every 11 months of service.

Encashment of Leave at the end of the tenure will not be included in the computation of perquisites.

6. **Minimum Remuneration :** Notwithstanding anything to the contrary herein contained, where in any financial year, the Company has no profits or its profits are inadequate, the Company will pay remuneration by way of salary and perquisites as specified above.

For all other terms and conditions not specifically spelled out above, the rules and orders of the Company will apply.

Shri R K Rajgarhia being concerned is interested in the resolution.

The Board recommend the proposed resolution for your approval.

Item No. 7 & 8

The Equity Shares of the Company are listed on The Calcutta Stock Exchange Association Limited (Regional Stock Exchange), The Stock Exchange, Mumbai and The Delhi Stock Exchange Association Limited. Company's petition to Company Law Board, Eastern Region Bench for shifting of Registered Office from the State of West Bengal to the State of Rajasthan have been approved. The Company has been issued fresh certificate of incorporation by Registrar of Companies, Jaipur. The Company is approaching Jaipur Stock Exchange for listing of its securities. In view of Registered Office of the Company being situated in Rajasthan, Jaipur Stock Exchange will become Regional Stock Exchange for the Company in lieu of The Calcutta Stock Exchange Association Limited.

Pursuant to Circular No.SMDRP/CIR-14/98 dated 29th April, 1998 issued by the Securities and Exchange Board of India to all the Stock Exchanges, voluntary delisting of securities on the Stock Exchanges other than the Regional Stock Exchange shall be permitted by the Stock Exchanges at the request of the Company. In view of infrequent/non-trading of the Company's Equity Shares on The Calcutta Stock Exchange Association Limited and The Delhi Stock Exchange Association Limited, it is proposed to delist the Equity Shares of the Company from both these Stock Exchanges w.e.f. January 1, 2000. The Company shall continue its listing of securities with The Stock Exchange, Mumbai, in addition to fresh listing with Jaipur Stock Exchange. As the Equity Shares of the Company can be traded on the ON-LINE system of The Stock Exchange, Mumbai, the exit opportunity will continue to be available to those shareholders in areas covered by the above Stock Exchanges where voluntary delisting is being sought.

None of the Directors of the Company is concerned or interested in the said resolutions.

Your Directors recommend both Special Resolutions for your approval.

Registered Office :
 SP-147 RiICO Industrial Area,
 Bhiwadi, Dist. Alwar (Rajasthan)

New Delhi
 August 18, 1999

By Order of the Board

K G MAHESHWARI
 V P (Finance)-Cum-
 Company Secretary

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

Your Directors present the 25th Annual Report and Audited Accounts of the Company, for the year ended March 31, 1999.

FINANCIAL RESULTS

(Rs. in lakhs)

	1998-99	1997-98
Turnover	10430	11115
Gross Profit	598	937
Less :- Depreciation	197	174
Tax Provision	52	174
Profit for the year	349	589
Add :-		
Balance brought forward	374	295
Surplus available for appropriation	723	884
Less :- Appropriation		
Proposed Dividend	52	78
Corporate Dividend Tax	5	7
Transfer to General Reserve	200	300
Transfer to Debenture Redemption Reserve	125	382
	125	510
Balance in Profit & Loss Account carried to Balance Sheet	341	374
Earning per share (in Rs.)	8.07	13.63
Cash Earning per share (in Rs.)	12.63	17.65

PERFORMANCE

Your Company, during the year under review, has shown lower turnover and profitability inspite of higher production, better capacity utilisation and improved sales volume due to sluggish market.

The production is up from 9480 MT to 9842 MT, an increase of 4% over the preceding year. Turnover by volume is also up by 8% from 9208 MT to 9945 MT this year.

The results may be considered satisfactory in view of overall recessionary conditions prevalent during the year.

MODERNISATION-CUM-BALANCING PROGRAMME

The Company is implementing modernisation-cum-balancing equipment scheme at its Spinning Mill at Bhiwadi. It has already tied up financial arrangements under TECHNOLOGY UPGRADATION FUND (TUF) SCHEME eligible for reimbursement of interest @ 5% p.a.

POWER DIVISION

Your Directors are happy to inform that in order to meet the increasing power demand and to ensure continuous and uninterrupted power supply at lower cost, your Company has set up a Power Division, which is installing a Power Plant of 2.5 MW capacity. It is likely to commence power generation by September 30, 1999.

PROSPECTS

With the implementation of modernisation-cum-balancing equipment scheme and commissioning of power plant, your Company is hopeful of maintaining profitability at current levels since the raw material prices have firmed up appreciably though the yarn market still continues to be sluggish.

DIVIDEND

Your Directors are pleased to recommend a Dividend of 12%.

AUDITORS' REPORT

The comments in the Auditors' Report read with Notes to Accounts in Schedule - 17 are self explanatory and do not call for further explanation.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO.

Information required under Section 217(1)(e) of the Companies Act, 1956, read with Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 is given in the Annexure-I to this Report.

INDUSTRIAL RELATIONS

Relations between Management and Employees at all levels remained cordial and contributing handsomely to the well-being of the Company.

PARTICULARS OF EMPLOYEES

Statutory statement of particulars of employees pursuant to Section 217(2A) of the Companies Act, 1956 is given in the Annexure II to this Report.

DIRECTORS

Shri P N Kapur and Shri H R Sharma retire from office by rotation and being eligible, offer themselves for re-appointment.

Nomination of Shri L N Mishra was withdrawn by The Industrial Finance Corporation of India Limited w.e.f. August 28, 1998. The Board places on record its appreciation for the valuable guidance received from Shri L N Mishra during his tenure.

AUDITORS

M/s Chaturvedi & Company, Statutory Auditors of the Company retire at the ensuing Annual General Meeting and are eligible for re-appointment.

Y2K COMPLIANT

Your Company has taken all necessary steps to make Computer System fully Y2K compliant by September 30, 1999 through in-house expertise and with the help of outside agencies.

SHIFTING OF REGISTERED OFFICE

Company Law Board, Eastern Region Bench vide its Order dtd. July 29, 1999 approved shifting of Registered Office of the Company from the State of West Bengal to the State of Rajasthan. Registered Office of your Company is now situated at Company's works at SP-147 RIICO Industrial Area, Bhiwadi, Dist. Alwar (Rajasthan) w.e.f. August 13, 1999.

ACKNOWLEDGEMENT

Your Directors express their grateful appreciation for the assistance and co-operation received from Financial Institutions, Banks, Govt. of Rajasthan and other statutory bodies during the year under review. Our thanks are also due to shareholders and customers for their continued confidence.

For and on behalf of the Board

New Delhi
August 18, 1999

R K RAJGARHIA
Chairman & Managing Director

APM INDUSTRIES LIMITED

ANNEXURE - I TO DIRECTORS' REPORT

PARTICULARS REQUIRED UNDER THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988.

CONSERVATION OF ENERGY

ENERGY CONSERVATION MEASURES TAKEN

The Company has over the years taken several steps to conserve energy wherever possible. This continues a thrust area with studies, discussions and analysis being undertaken regularly for further improvement. The Company is continuing with the energy conservation measures taken in earlier years.

ADDITIONAL INVESTMENT AND PROPOSALS, IF ANY, BEING IMPLEMENTED FOR SAVING ENERGY

Energy Conservation Measures undertaken during the current year:

Installation of fuel efficient furnace oil based Generating Set of 2.5 MW.

Installation of waste heat recovery Boiler to generate steam and save on coal Consumption.

The details of total energy consumption and consumption

per unit of production are given below in Form 'A'. The consumption is higher due to change in product mix and thrust on production of more value added products.

RESEARCH & DEVELOPMENT AND TECHNOLOGY ABSORPTION

Research & Development :

In-house Research & Development efforts continue to strive for development of new products, improvement in the production process and quality of products.

BENEFITS DERIVED AS A RESULT OF R&D

Above efforts enabled the company's product to have competitive edge, reduce waste and improve yarn recovery.

FOREIGN EXCHANGE EARNINGS AND OUTGO

This information is contained in Notes forming part of Accounts in Schedule - 17.

FORM 'A' FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSUMPTION OF ENERGY

		Unit	1998-99	1997-98
A)	POWER AND FUEL CONSUMPTION			
1	Electricity			
	Purchased Unit	Unit in lacs	163.57	173.96
	Total amount	Rs. in lacs	580.25	625.15
	Rate	Rs./Unit	3.55	3.59
2	Own generation			
	Unit per litre of diesel oil	Unit in lacs	123.05	82.02
	Cost	Unit	3.61	3.60
		Rs./Unit	2.49	2.47
3	Coal (Grade B, C, D & E)			
	Quantity	MT	1794.00	1638.00
	Total Cost	Rs. in lacs	45.65	40.96
	Average rate	Rs./MT	2544.59	2500.66
4	Diesel (HSD)			
	Quantity	Ltrs. in Lacs	34.05	22.81
	Total Cost	Rs. in lacs	306.97	202.50
	Average rate	Rs./Ltrs.	9.02	8.88
B)	CONSUMPTION PER UNIT OF PRODUCTION*			
1	Electricity	Unit	291.00	270.00
2	Coal, B, C, D & E grade	Kgs.	18.23	17.28
* Production unit, per 100 kgs.				

ANNEXURE - II TO DIRECTORS' REPORT

Particulars of employees as per Section 217 (2A) of the Companies Act, 1956 read with Companies (particulars of employees) Rules, 1975 annexed to and forming part of the Directors' Report for the year ended 31st March, 1999.

A) Employed throughout the year under review and were in receipt of remuneration aggregating to not less than Rs.6,00,000/- per annum.

Sl. No.	Name	Designation	Remuneration (Rs.)	Qualification	Experience (No. of years)	Age	Date of Commencement of	Last Employment
1	R K Rajgarhia	Chairman & Managing Director	13,51,045	B. Com	40	61	01.08.94	Orient Steel & Industries Limited
2	H R Sharma	Executive Director	6,09,442	B. Com	27	48	15.01.76	Perceptpac Limited

B) Employed for the part of the year and were in receipt of remuneration aggregating to not less than Rs.50,000/- p.m.

————— NIL —————

NOTES:

- The nature of employment is Contractual.
- Remuneration shown above includes salary, commission, allowances, monetary value of perquisites and Company's contribution to Provident Fund.