

26th

A NNUAL

REPORT

1999-2000

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APM INDUSTRIES LIMITED

APM INDUSTRIES LIMITED**BOARD OF DIRECTORS**

R K RAJGARHIA
Chairman & Managing Director

P N KAPUR

R L TOSHNIWAL

K R GUPTA

S G RAJGARHIA

H R SHARMA
Executive Director

AUDITORS

Chaturvedi & Company

BANKERS

Punjab National Bank
State Bank of Bikaner & Jaipur

SOLICITORS

Khaitan & Partners

**VICE PRESIDENT (FINANCE)-CUM-
COMPANY SECRETARY**
K G MAHESHWARI

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)

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THE EQUITY SHARES OF THE COMPANY ARE LISTED AT THE FOLLOWING STOCK EXCHANGES

- | | |
|--|---|
| 1. Jaipur Stock Exchange Limited
Stock Exchange Building,
Jawahar Lal Nehru Marg,
Malviya Nagar,
Jaipur-302 017. | 3. The Stock Exchange, Mumbai
Phiroze Jeejeebhoy Towers
Dalal Street,
Mumbai-400 001. |
| 2. The Calcutta Stock Exchange Association Ltd.
7-Lyons Range
Calcutta-700 001 | 4. The Delhi Stock Exchange Association Ltd.
DSE House,
3/1 Asaf Ali Road,
New Delhi-110 002 |

(The Annual Listing Fees for the year 2000-2001 have been duly paid to these Stock Exchanges.)

APM INDUSTRIES LIMITED**NOTICE TO THE MEMBERS**

NOTICE is hereby given that the 26th Annual General Meeting of the Shareholders of APM Industries Limited will be held on Tuesday, the 26th day of September, 2000 at 12.00 noon at the Registered Office & Works of the Company at SP-147, RICO Industrial Area, Bhiwadi, Dist. Alwar (Rajasthan) to transact the following business :-

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2000, 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, 2000.
3. To appoint a Director in place of Shri R L Toshniwal who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Shri K R Gupta who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint the Auditors and fix their remuneration.

SPECIAL BUSINESS

To consider and if thought fit, to pass with or without modification(s) the following resolutions :-

6. As An Ordinary Resolution

"RESOLVED THAT in accordance with the provisions of section 257 and all other applicable provisions, if any, of the Companies Act, 1956 Shri S G Rajgarhia, who was appointed by the Board of Directors as an Additional Director of the Company and who holds office upto the conclusion of the ensuing Annual General Meeting U/s 260 of the Companies Act, 1956 and in respect of whom the Company has received a notice in writing from a member proposing the candidature of Shri S G Rajgarhia for the office of a Director, be and is hereby appointed a Director of the Company, liable to retire by rotation."

7. As a Special Resolution

"RESOLVED THAT pursuant to Provisions of Section 31 and all other applicable provisions, if any, of the Companies Act, 1956 or any statutory modification(s) or re-enactment(s) thereof, the Articles of Association of the Company be altered to the extent and in the manner set out hereunder:-

1) In Article 2 :-

- a) The existing definition of 'The Register' be substituted by the following :-
 - ix) "Register" means the Register of Members to be kept pursuant to Section 150 of the Act and includes the Register of Beneficial Owners maintained by a Depository under Section 11 of the Depositories Act, 1996.
- b) Following clauses be inserted after Article 2 (ix) :-
 - x) "Beneficial Owner" shall have the meaning assigned thereto in Section 2 of the Depositories Act, 1996.
 - xi) "Depository Act" shall mean the Depositories Act, 1996 and includes any statutory modification or re-enactment thereof for the time being in force.
 - xii) "Depository" shall mean a Depository as defined in the Depositories Act, 1996.
 - xiii) "Member" means a duly registered holder from time to time of the shares of the Company and also one, whose name is entered as beneficial owner in the records of a Depository in the case of shares held in Depository.

2) In existing Article 11(3), the following shall be added :-

"In respect of shares or other securities of the Company held in dematerialised form, the provisions relating to joint holders contained therein shall mutatis-mutandis apply to the joint beneficial owners".

3) After existing Article 121, the following new Articles from 122 to 132 be inserted under the heading "XXXII DEMATERIALISATION AND DEPOSITORY".**122 "AUTHORITY TO DEMATERIALISE SECURITIES"**

Notwithstanding anything to the contrary contained in these Articles, the Company shall be entitled to dematerialise or re-materialise its shares/debentures and other securities (both existing and future) held by the depository and to offer its shares/debentures and other securities for subscription/allotment in dematerialised form pursuant to the Depositories Act, 1996 and the rules framed thereunder, if any.

123 "OPTION TO HOLD SECURITIES IN CERTIFICATES OR WITH DEPOSITORY"

Every person holding any securities of the Company through allotment or otherwise shall have the option to receive and hold the same in the form of certificates or to hold the same with a depository.

124 "SECURITIES WITH DEPOSITORY TO BE DEMATERIALISED"

All securities held with depository shall be dematerialised and the depository shall hold the same for the beneficial owners thereof in a fungible form. Nothing contained in Sections 153, 153A, 153B, 187B, 187C and 372A of the Act shall apply to a Depository in respect of the securities held by it on behalf of the beneficial owners.

125 "BENEFICIAL OWNER IS MEMBER"

Every person holding securities of the Company and whose name is entered as a beneficial owner in the records of the depository shall be deemed to be a member of the Company. The beneficiary of the securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of the securities held by him in a depository.

126 "BENEFICIAL OWNER MAY OPT OUT OF DEPOSITORY"

Every person holding securities of the Company with depository, being the beneficial owner thereof, may at any time opt out of the depository in the manner provided under the provisions of the Depositories Act and on exercise of such options and on fulfillment of the conditions and payment of the fees prescribed under the said act, the Company shall rematerialise the relevant securities and issue to the beneficial owner thereof the requisite certificates of such securities.

127 "INTIMATION TO DEPOSITORY"

- (1) The Company shall make available to the depository, copies of the relevant records in respect of securities held by such depositories for the beneficial owners thereof.
- (2) When a holder or an allottee of securities opts to hold the same with a depository, the Company shall intimate such depository the details of his holdings or allotment of securities and thereupon the depository shall enter in its record the names of the holders/allottees as the beneficial owners of such securities.

128 "REGISTER AND INDEX OF BENEFICIAL OWNERS"

The register and index of beneficial owners of the securities maintained by a depository under section 11 of the Depositories Act shall be deemed to be and forming part of the register and index of members or of holders of debentures or other securities of the Company.

129 "TRANSFER OF SECURITIES HELD IN A DEPOSITORY"

- (1) Transfer of securities held in a depository will be governed by the provisions of the Depositories Act.
- (2) Every depository shall furnish to the Company information about the transfer of the securities, the name of beneficial owners at such intervals and in such manner as may be specified under the provisions of the Depositories Act.
- (3) Section 108 of the act shall not apply to transfer of security effected by the transferor and the transferee both of whom are entered as beneficial owners in the records of a depository.

APM INDUSTRIES LIMITED

130 "DEPOSITORIES HAVE NO VOTING RIGHTS"

A depository shall be deemed to be the registered owner for the purpose of effecting transfer of ownership of shares, debentures or other securities on behalf of beneficial owners and shall not have any voting rights or any other rights in respect of shares, debentures and other securities held by it. The beneficial owner as per the register of beneficial owners maintained by a depository shall be entitled to all rights including voting rights and benefits in respect of the securities held by him with the depository.

131 "APPLICABILITY OF THE DEPOSITORIES ACT"

In case of transfer of shares, debentures and other marketable Securities, where the Company has not issued any certificate and where such shares, debentures or securities are being held in an electronic and fungible form in a Depository, the provisions of the Depositories Act, 1996 shall apply.

132 "COMPANY TO RECOGNISE THE RIGHTS OF REGISTERED HOLDERS AS ALSO THE BENEFICIAL OWNERS IN THE RECORDS OF THE DEPOSITORY"

Save as herein otherwise provided, the Company shall be entitled to treat the person whose name appears in the Register of Members as the holder of any share, as also the Beneficial Owner of the shares in records of the depository as the absolute owner thereof as regards receipt of dividend or bonus or service of notices and all or any other matters connected with the Company, and accordingly, the Company shall not, except as ordered by a Court of competent jurisdiction or as by law required, be bound to recognise any benami trust or equity or equitable, contingent or other claim to or interest in such share on the part of any other person whether or not it shall have express or implied notice thereof.

4) The following new Article be inserted after Article 132 under the heading "XXXIII NOMINATION FACILITY"

133 Notwithstanding anything contained in these Articles, every holder of shares in or debentures of the Company may, at any time, nominate, in the prescribed manner, a person to whom his shares or debentures shall vest in the event of his death, and the provisions of Sections 109A and 109B of the Act shall apply in respect of such nomination.

Registered Office :
SP-147, RIICO Industrial Area,
Bhiwadi, Dist. Alwar (Rajasthan)
New Delhi
July 26, 2000

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 items No.6 and 7 as set out above is annexed hereto.
3. The register of members and share transfer books of the Company shall remain closed from 16.09.2000 to 26.09.2000 (both days inclusive).
4. The Dividend, if declared, will be paid to those members whose name appear on the Register of Members on September 26, 2000.
5. To avoid the misuse of Dividend warrant, the shareholders are advised to send us before September 30, 2000 the details of the Bank, its address, nature of account and the account number for printing on the Dividend warrant.
6. The unclaimed dividends for 1993-1994 and 1994-1995 have been transferred to the General Revenue Account of the Central Government. Shareholder who have not encashed their dividend warrants for the said years are requested to claim

the amount from Registrar of Companies, West Bengal, "Nizam Palace", 2nd Floor, 234/4 - AJC Bose Road, Calcutta - 700 020.

7. Pursuant to section 205A to 205C of the Companies Act, 1956 any money transferred to the unpaid dividend account which remains unpaid or unclaimed for a period of 7 years from the date of such transfer shall be transferred by the Company to a fund called Investor Education and Protection Fund to be set up by the Central Government. Accordingly, the unpaid/unclaimed dividend for the year 1995-1996 and onwards will become transferable at the end of 7 years respectively, to the said "Investor Education and Protection Fund" and no claims shall lie against the fund or the Company in respect of individual amounts thereafter. Shareholders are, therefore, requested to check up and send their claims, if any, for the relevant years from 1995-1996 onwards before the respective amounts become due for transfer to the above fund.
8. Sections 109A and 109B of the Companies Act, 1956 provide 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 file the same in Form No.2B. This facility is available to individual shareholders including joint shareholders.

ANNEXURE TO THE NOTICE

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

Item No. 6

Shri S G Rajgarhia was appointed by the Board of Director as an Additional Director of the Company w.e.f. July 26, 2000 pursuant to section 260 of the Companies Act, 1956. Shri S G Rajgarhia will hold office as director upto the conclusion of the ensuing Annual General Meeting. The Company has received a notice in writing from a member proposing the candidature of Shri S G Rajgarhia for the office of Director of the Company under the provision of section 257 of the Companies Act, 1956.

Shri S G Rajgarhia is a qualified B.Tech (Hons.) and S.M. (MIT) and is Managing Director of M/s Orient Abrasives Limited. He brings with him varied experience of more than 30 years.

Excepting Shri R K Rajgarhia and Shri S G Rajgarhia, no other Director is interested or concerned in the resolution.

The Board recommends the proposed resolution for your approval.

Item No. 7

With the liberalisation, certain new articles e.g. dematerialisation of securities, recording nomination of the shareholders etc., are to be included in the Articles of Association. The Board of Directors have, accordingly, proposed that the Articles of Association of the Company be suitably altered. All the relevant articles have been included in Item No.7 of the accompanying Notice. The proposed alteration of the Articles of Association is in the interest of the shareholders.

The Board commends the passing of resolution at item No.7 of the Notice.

None of the Directors of the Company is either directly or indirectly interested or concerned in this resolution.

A copy of the Memorandum & Articles of Association of the Company together with the proposed alterations is available for inspection by the Members of the Company at its Registered Office between 11.00 A.M. and 1.00 P.M., on all working days from the date hereof till the date of the meeting and the same shall also be available for inspection at the meeting.

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

New Delhi
July 26, 2000

By Order of the Board

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

APM INDUSTRIES LIMITED

DIRECTORS' REPORT

TO THE MEMBERS

The Directors have pleasure in presenting the 26th Annual Report and Audited Accounts of your Company, for the year ended March 31, 2000.

FINANCIAL RESULTS

(Rs. in lacs)

	1999-2000	1998-1999
Turnover	11897	10430
Gross Profit	669	598
Less :- Depreciation	228	197
Tax Provision	55	249
Profit for the year	386	349
Add :-		
Balance brought forward	341	374
Surplus available for appropriation	727	723
Less :- Appropriation		
Proposed Dividend	52	52
Corporate Dividend Tax	12	5
Transfer to General Reserve	200	200
Transfer to Debenture Redemption Reserve	125	389
	125	382
Balance in Profit & Loss Account carried to Balance Sheet	338	341
Earning per share (in Rs.)	8.93	9.07
Cash Earning per share (in Rs.)	14.21	12.63

PERFORMANCE

Your Company has shown satisfactory results during the year under review. The sale is higher by 14% from Rs. 104.30 Crores to Rs. 118.97 Crores.

Production is up from 9842 MT to 10490 MT, an increase of more than 6% over the preceding year. Turnover by volume has also improved by 6% from 9945 MT to 10588 MT this year.

MODERNISATION-CUM-BALANCING PROGRAMME

The Company has successfully implemented modernisation-cum-balancing equipment scheme undertaken under TUF Scheme of Government of India. Benefit from the same have already started accruing to the Company.

POWER DIVISION

The Company has installed a Power Plant of 2.5 MW Capacity to reduce dependence on grid supply. Your Directors are hopeful that Company will gain from lower cost of in-house power generation.

PROSPECTS

The Company plans to further modernise the plant and machinery under TUF to maintain and sustain its competitive edge in the market. The Company also plans to enter export market in view of good demand. Barring unforeseen circumstances, Company expects to show better results during the current year.

DIVIDEND

Your Directors are pleased to recommend, subject to your approval, a tax-free Dividend of 12% on equity shares.

AUDITORS' REPORT

The comments in the Auditors' Report read with Notes to Accounts in Schedule-1B 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 this is largely responsible in the Company recording yet another year of consistent good performance.

PARTICULARS OF EMPLOYEES

Information as required under section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rule 1975 as amended is annexed as Annexure - II to this Report.

DIRECTORS

Shri S G Rajgarhia was appointed as an Additional Director on July 26, 2000. He holds office until the conclusion of this Annual General Meeting and is eligible for appointment. The Company has received a notice U/s 257 of the Companies Act, 1956 from one of its members proposing his candidature as Director, subject to retirement by rotation.

Shri R L Toshniwal and Shri K R Gupta retire from office by rotation and being eligible, offer themselves for re-appointment.

AUDITORS

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

THE YEAR 2000 ISSUE (Y2K)

Your Company had taken adequate steps to ensure that all critical equipments, processes and systems were Y2K compliant. The Directors are pleased to report that your Company had a smooth roll over into the year 2000 and the Y2K bug had no impact on its operations.

ACKNOWLEDGEMENT

Your Directors gratefully acknowledge the support given by 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
July 26, 2000

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.

A) CONSERVATION OF ENERGY

Energy Conservation Measures Taken

- The Company has installed a Waste Heat Recovery Boiler to produce steam and save on Coal consumption.
- The Company has also installed Fuel Efficient Furnace Oil based Generating Set of 2.5 MW.
- The Company is also continuing with the energy conservation measures taken in earlier years.

Additional investment and proposals, if any, being implemented for saving energy

- The Company plans to replace the existing Bulbs by energy saving C.F.L. Lights in all the commercial and residential areas.
- Installation of Suction Motor inverter on Autoconers.

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 company's thrust on production of more value added products.

B) RESEARCH & DEVELOPMENT AND TECHNOLOGY ABSORPTION

Research & Development :

- The Company has upgraded the USTER Instrument with new Software for comparing Yarn quality as per international standards.

- In-house Research & Development efforts continue to develop new products and improvement in the quality of products.

Benefits derived as a result of R & D

Above efforts enabled the Company to produce quality products to supply yarn to corporate sector, reduction in wastage & improvement in yarn recovery.

C) FOREIGN EXCHANGE EARNINGS AND OUTGO

This information is contained in Notes forming part of Accounts in Schedule - 18.

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

	Unit	1999-2000	1998-1999
A) POWER AND FUEL CONSUMPTION			
1 Electricity			
Purchased Unit	Unit in lacs	78.29	163.57
Total amount	Rs. in lacs	308.19	580.25
Rate	Rs./Unit	3.94	3.55
2 Own generation			
a) Through Diesel Generator	Unit in lacs	145.15	123.05
Unit per litre of Diesel	Unit	3.64	3.61
Cost	Rs./Unit	2.94	2.49
b) Through HFO generator	Unit in lacs	82.72	—
Unit per litre of HFO/Diesel	Unit	3.90	—
Cost	Rs./Unit	2.46	—
3 Coal (Grade B, C, D & E)			
Quantity	MT	1365.00	1794.00
Total Cost	Rs. in lacs	35.02	45.65
Average rate	Rs./MT	2565.57	2544.59
4 Diesel			
Quantity	Ltrs. in Lacs	41.76	34.05
Total Cost	Rs. in lacs	439.65	306.97
Average rate	Rs./Ltrs.	10.53	9.02
5. Furnace Oil			
Quantity	Ltrs. in Lacs	19.31	—
Total Cost	Rs. in lacs	179.92	—
Average rate	Rs./Ltrs.	9.32	—
B) CONSUMPTION PER UNIT OF PRODUCTION*			
1 Electricity	Unit	292.00	291.00
2 Coal, B, C, D & E grade	Kgs.	13.01	18.23

* Production unit, per 100 kgs.

ANNEXURE - II TO DIRECTORS' REPORT

Statement of particulars of employees pursuant to Section 217 (2A) of the Companies Act, 1956 read with Companies (particulars of employees) Rules, 1975 and forming part of the Directors' Report for the year ended 31st March, 2000.

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 Employment	Last Employment
1	R K Rajgarhia	Chairman & Managing Director	14,00,500	B. Com	41	62	01.08.94	Orient Steel & Industries Limited
2	H R Sharma	Executive Director	6,89,624	B. Com	28	49	15.01.76	Perfectpac 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:

1.The nature of employment is Contractual.

2.Remuneration shown above includes salary, allowances, monetary value of perquisites and Company's contribution to Provident Fund.