



# **ATV PROJECTS INDIA LIMITED**

Annual Report 1998 - 99

## TWELFTH ANNUAL REPORT

### BOARD OF DIRECTORS

**Mr. M.V. Chaturvedi** *Chairman*

**Mr. E.C.P. Prabhakar,** *I.A.S. (Retd.)*

**Dr. V. K. Saxena, Ph.D., I.A.S. (Retd.)**

**Mr. S. P. Banerjee**

**Mr. S.N. Kaul**

**Mr. H.C. Chopra**

**Mr. T. Ramesh Babu** *Nominee Director - IFCI  
(w.e.f. 30.01.99)*

**Mr. B.R. Pandhi** *Executive Director*

**Mr. V. Narayan** *Wholetime Director  
(w.e.f. 01.02.99)*

### AUDITORS

**B.M. Chaturvedi & Co.**  
Chartered Accountants,  
Mumbai.

### BANKERS

**Central Bank of India**  
**Bank of India**  
**State Bank of India**  
**State Bank of Travancore**  
**Punjab National Bank**

### REGISTERED OFFICE

D-8, MIDC, Street No.16, Marol,  
Andheri (East), Mumbai - 400 093.

### WORKS

- I. Delhi - Agra Bypass, Post Krishnanagar,  
Mathura - 281 001.
- II. D-8, MIDC, Street No 16, Marol,  
Andheri (East), Mumbai - 400 093.
- III. Nagothane, Dist. Raigad, Maharashtra.

### SALES OFFICES

- I. 409/410 Chiranjiv Towers, Nehru Place,  
New Delhi - 110 019.
- II. 204, Gera Chambers, Off Boat Club Road,  
Pune- 411 001.

### INVESTORS SERVICES DEPT

D-8, MIDC, Street No 16, Marol,  
Andheri (East),  
Mumbai - 400 093.



## NOTICE

Notice is hereby given that the Twelfth Annual General Meeting of the Members of **ATV PROJECTS INDIA LIMITED** will be held on Friday, 29th October, 1999 at 3.30 p.m. at Tejpal Auditorium, August Kranti Marg, Gowalia Tank, Mumbai 400 007 to transact the following business :-

1. To receive, consider and adopt the Audited Profit & Loss Account for the period ended 31st March, 1999 and the Balance Sheet as at that date, and the Reports of the Directors and the Auditors thereon.
2. To appoint a Director in place of Dr. V.K. Saxena, who retires by rotation and, being eligible, offers himself for re-election.
3. To appoint a Director in place of Mr. V. Narayan, who retires by rotation and, being eligible, offers himself for re-election.
4. To appoint Auditors to hold office from the conclusion of the Twelfth Annual General Meeting till the conclusion of the Thirteenth Annual General Meeting, and to fix their remuneration.

## SPECIAL BUSINESS

5. To appoint a Director in place of Mr. H.C. Chopra who was appointed as a Director of the Company on 29th September, 1997 to fill the casual vacancy caused by the resignation of Mr. Syrus B. Wadia and who holds office in terms of Section 262 of the Companies Act, 1956 and Article 86 of the Articles of Association of the Company upto the date of this Meeting and in respect of whom the Company has received a notice in writing under Section 257 of the Companies Act, 1956 from a shareholder expressing his intention of proposing Mr. Chopra as a candidate for the office of Director.
6. To consider and, if thought fit, to pass, with or without modifications, the following resolution as a **SPECIAL RESOLUTION** :-

"RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, 314 and other applicable provisions, if any, of the Companies Act, 1956 and the laws in force from time to time and/or Guidelines for Managerial Remuneration issued by the Central Government from time to time, the consent of the Company be and is hereby accorded to the appointment of and payment of remuneration to Mr. V. Narayan and to his holding and continuing to hold an office or place of profit under the Company as a director in wholetime employment of the Company for a period of 2 years with effect from 1st February, 1999 upon and subject to the terms and conditions contained in an Agreement entered into between the Company and Mr. Narayan, a copy whereof is placed before the Meeting and initialled by the Chairman for the purpose of identification.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to vary the terms and conditions of the appointment including remuneration of Mr. Narayan, in such manner as the Board of Directors may in exercise of its absolute discretion consider appropriate, provided however, that the terms of such appointment and/or remuneration are in conformity with the Guidelines for Managerial Remuneration issued by the Central Government and to the limits set in Schedule XIII to the Companies Act, 1956 and / or any amendments thereto as may be made from time to time.

RESOLVED FURTHER THAT in the event of loss or inadequacy of profits in any financial year during the term of office of Mr. Narayan as a Wholtime Director, the aforesaid salary and all other remuneration, benefits and amenities as set out in the aforesaid Agreement be paid to Mr. Narayan as minimum remuneration, notwithstanding that the same shall be in excess of the percentage limitations laid down in Section 309 (3) and Section 198 (1) of the Companies Act, 1956.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this Resolution."

## NOTES

1. A statement of Material Facts in respect of the Special Business under Items No. 5 and 6 is annexed hereto.
2. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF / HERSELF AND THE PROXY SO APPOINTED NEED NOT BE A MEMBER OF THE COMPANY. PROXIES, IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING.
3. All documents referred to in the above Notice and the accompanying Statement are open for inspection at the Registered Office of the Company on all working days (except Saturdays and Holidays) between 10.30 a.m. and 12.30 p.m. upto date of Annual General Meeting.
4. The Register of Members and the Share Transfer Books of the Company, will remain closed from Thursday, 23rd September, 1999 to Thursday, 30th September, 1999 both days inclusive.
5. Members are requested to intimate their queries / requirements for clarification on the Annual Report so as to reach the Company on or before 22nd October, 1999 which will enable the Company to furnish the replies at the Annual General Meeting.
6. The Registrar of Companies, Maharashtra, Mumbai has vide his letter No. 42719/TA dated 15.09.1999 granted extension of time upto 30.11.1999 for holding of the Annual General Meeting.
7. Members are requested to bring their copy of the Annual Report along with them to the Meeting as copies of the Annual Report will not be distributed at the Meeting.
8. Members are requested to produce the Attendance slip at the entrance to the venue.

## Registered Office :

D-8, M.I.D.C. Street No. 16,  
Marol, Andheri (East),  
Mumbai - 400 093.

By Order of the Board,

Place : Mumbai  
Dated : September 17, 1999

P.Y. Mahajan  
Company Secretary

**ANNEXURE TO NOTICE**

**Statement of Material Facts pursuant to Section 173 (2) of the Companies Act, 1956 annexed to the Notice dated 17th September, 1999**

**Item No.5**

Mr. H.C. Chopra was appointed by the Board of Directors on 29th September, 1997 as a Director to fill the casual vacancy caused by the resignation of Mr. Syrus B. Wadia. In terms of Section 262 of the Companies Act, 1956, Mr. Chopra holds office upto the date of the forthcoming Annual General Meeting, being the date on which Mr. Syrus Wadia would have retired by rotation had he continued to be a Director of the Company. A notice in writing under Section 257 of the Companies Act, 1956 has been received by the Company from a shareholder intimating his intention of proposing Mr. Chopra as a candidate for the office of Director.

The Board recommends the appointment of Mr. Chopra as Director. Except Mr. Chopra none of the Directors is interested or concerned in this item of business.

**Item No. 6**

By a resolution passed on 30th January, 1999 the Board has appointed Mr. V. Narayan as a Wholtime Director of the Company, subject to the approval of the Members in General Meeting, for a period of two years with effect from 1st February 1999. He has served the Company previously in various positions including that as a Wholtime Director. Mr. V. Narayan, born on 18th September, 1929, is a Post Graduate (M.A. with Statistics). He has served various organisations holding high posts. The Board considers that in view of his knowledge and experience, the appointment of Mr. Narayan is in the best interest of the Company.

The essential terms and conditions of Mr. Narayan's appointment, as stated in the Agreement entered into by the Company with Mr. Narayan, are as under :-

- i) Mr. Narayan will carry out such functions, exercise such powers and carry out such duties as may be entrusted to him from time to time.
- ii) Period of Agreement : Two years with effect from 1st February, 1999.
- iii) Remuneration : The remuneration payable to the Wholtime Director will be determined by the Board of Directors of the Company in the exercise of its absolute discretion within the overall limits prescribed under Sections 198, 309 and Schedule XIII of the Companies Act, 1956.
  - a) Salary : Rs. 15,000 /- per month
  - b) Perquisites :
    - i) **Medical Benefits :**  
Reimbursement of Medical expenses incurred in accordance with the rules of the Company for the time being in force and from time to time.
    - ii) **Conveyance :**  
The Company will provide one Motor Car for use of the Wholtime Director on Company's business, with full maintenance charges in respect thereof, such as garage rent, fuel, repairs and maintenance etc. In case the Wholtime Director employs his personal driver, then the Company will reimburse the salary / wages of the driver borne by the Wholtime Director. Use of the Company Car for private purpose shall be billed by the Company to the Wholtime Director.

**iii) Telephone :**

Free Telephone facility at residence provided that the cost of personal long distance calls shall be reimbursed by the Wholtime Director to the Company.

**iv) Entertainment Expenses :**

Reimbursement of entertainment expenses actually and properly incurred by the Wholtime Director in the course of legitimate business of the Company.

The remuneration aforesaid including the benefits and amenities mentioned above will be paid and allowed as minimum remuneration for any year in the event of loss or inadequacy of profits.

**OTHER TERMS :**

- i) The terms and conditions of the appointment and/or remuneration may be varied or increased from time to time in such a manner as the Board of Directors in the exercise of its absolute discretion considers appropriate provided however, that the terms of such appointment and/or remuneration are subject to the limits set out in Schedule XIII of the Companies Act, 1956 or any amendments thereto as may be made from time to time.
- ii) The Agreement is terminable on three month's notice on either side.
- iii) The Wholtime Director shall not directly or indirectly engage himself in any other business or occupation or employment whatsoever.
- iv) The Wholtime Director shall not be entitled to supplement his earnings under the Agreement with any buying or selling commission. He shall not also become interested or otherwise concerned directly or through his wife and/or minor children in any selling agency of the Company, without the prior approval of the Central Government.
- v) If and when the Wholtime Director is required to entertain for the purpose of the Company's business, the Company shall reimburse all actual expenses incurred by him for such entertainment.
- vi) The Wholtime Director shall be entitled to all leave benefits as are applicable under the Company's rules to the Executive Directors and in force from time to time.
- vii) The Wholtime Director shall observe the secrecy obligation in regard to the business affairs of the Company.

In compliance with the provisions of Schedule XIII of the Companies Act, 1956, the aforesaid appointment and remuneration payable to the Wholtime Director is being placed before the Members in the General Meeting. The Board of Directors recommends the same for your approval.

Save and except Mr. Narayan, no other Director of the Company is in anyway concerned or interested in this item of business.

**Registered Office :**

D-8, M.I.D.C. Street No. 16,  
Marol, Andheri (East),  
Mumbai - 400 093.

**By Order of the Board,**

Place : Mumbai  
Dated : September 17, 1999

**P.Y. Mahajan**  
Company Secretary

## DIRECTORS' REPORT TO THE MEMBERS

Your Directors present the Twelfth Annual Report together with the Audited Statement of Accounts for the period ended March 31, 1999.

### CORPORATE RESULTS

	For the 9 Months ended March 31, 1999 (Rs. in lacs)	For the Year ended June 30, 1998 (Rs. in lacs)
<b>Income</b>	<b>8473.34</b>	<b>17087.52</b>
<b>Gross Loss</b>	<b>1069.96</b>	<b>7703.37</b>
Add : Interest	<b>1196.57</b>	<b>5738.07</b>
Cash Loss	<b>2266.53</b>	13441.44
Add : Depreciation	<b>534.72</b>	5624.68
<b>Net Loss</b>	<b>2801.25</b>	<b>19066.12</b>
Add / (Less) : (Surplus) / Loss brought forward from previous year	<b>17846.38</b>	(1219.74)
Total Loss carried to Balance Sheet	<b>20647.63</b>	<b>17846.38</b>

### FINANCIAL YEAR

In order to synchronise the financial accounting period with the period for tax purposes, it has been decided to prepare the Accounts henceforth to close on 31st March and accordingly the Accounts for the period under consideration have been prepared from 1st July 1998 to 31st March, 1999.

### OPERATIONS

As the shareholders would recall, they were informed in the last Annual Report that the Company was approaching the Board for Industrial and Financial Reconstruction (BIFR) in view of the losses of the Company having exceeded its networth. The Company accordingly approached the BIFR and the BIFR has formally declared the Company as a Sick Industrial Company in April 1999, under The Sick Industrial Companies (Special Provisions) Act and appointed The Industrial Development Bank of India (IDBI) as the Operating Agency for formulation of a Revival Scheme for the Company. As directed by the BIFR, the Company

has, in June 1999, submitted its comprehensive Revival Proposal to IDBI. IDBI will, after scrutiny of the proposal, submit the Revival package to BIFR.

On account of non-availability of Working Capital including the non-funded limits the working of the Company has been badly affected. The TPE plant at Nagothane wherein the Company has made huge investments remained closed throughout the year and the Engineering Division at Mathura operated intermittently. On account of non-availability of even Bank Guarantees from the Bankers, the Company was not in a position even to bid for new contracts and as a result the order book position of the Company is coming down. Despite the various constraints the Company completed the ARU project of the Panipat Refinery in the year under review.

As stated in last year's report, the demand for the Company's Engineering Division and P & C services is vast and expanding and the demand is likely to increase still with Govt. further increasing the capacities of refineries and petrochemical units. If the Company gets Funded / Non-funded bank limits, it can substantially improve its position. The Company is capable of producing the TPE which is acceptable to discerning customers at home and abroad. The Ministry of Surface Transport, Govt. of India, has vide its notification issued in April 1999, suggested use of polymer modified bitumen in road works to all Public Works Depts., which will considerably increase the local demand for TPE. In view of this, once the revival scheme is formulated the Company can be back on rails and regain its lost position as there is sufficient demand with adequate margin for all products and services of the Company.

### DIRECTORS

The Industrial Finance Corporation of India Ltd., (IFCI) has appointed Mr. T. Ramesh Babu, Dy. Gen. Manager (Tech.) IFCI, Mumbai as their nominee on the Board of the Company in the place of Mr. R. S. Rajput and accordingly Mr. T. R. Babu has been appointed Director of the Company with effect from 30th January, 1999. The Board has recorded its appreciation of the valuable services rendered by Shri Rajput during his tenure as a Director of the Company.

As required by the provisions of Section 256 of the Companies Act, 1956, Dr. V. K. Saxena and Mr. V. Narayan retire by rotation at the forthcoming Annual General Meeting and, being eligible, offer themselves