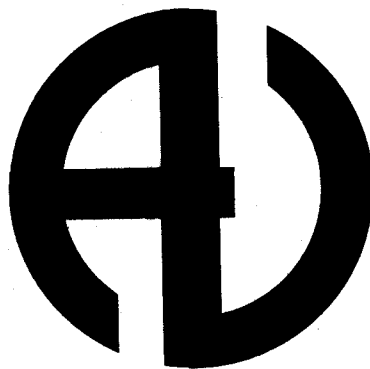


Annual Report 2003-2004

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ATV PROJECTS INDIA LIMITED

ATV
PROJECTS
INDIA
LIMITED



BOARD OF DIRECTORS

Mr. M.V. Chaturvedi	<i>Chairman</i>
Dr. V.K. Saxena	<i>Ph.D., I.A.S. (Retd.)</i>
Mr. S.P. Banerjee	
Mr. S.N. Kaul	
Mr. J. Tauro	<i>Nominee Director - IDBI</i>
Mr. V. Narayan	<i>Wholetime Director</i>

AUDITORS

N. S. Bhatt & Co.
Chartered Accountants,
Mumbai.

COMPANY SECRETARY

S.Bijay Kumar

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.

INVESTORS SERVICES DEPT.

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

NOTICE

Notice is hereby given that the Seventeenth Annual General Meeting of the Members of ATV PROJECTS INDIA LIMITED will be held on Thursday the 28th October, 2004 at 11.00 a.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 30th June, 2004 and the Balance Sheet as on that date, and the Report of the Directors and the Auditors thereon.
2. To appoint a Director in place of Mr. S. P Banerjee who retire by rotation and, being eligible, offers himself for re-election.
3. To appoint Auditors to hold office from the conclusion of the Seventeenth Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS

4. 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 holding and continuing to hold a office or place of profit in the Company for a period of one year with effect from 1st February 2004 upon and subject to terms and conditions contained in an agreement entered into between the Company and Mr. V. 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. V. 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. V. Narayan as a Whole time Director, the aforesaid salary and all other remuneration, benefits and amenities as set out in the aforesaid Agreement be paid to Mr. V. Narayan as minimum remuneration, notwithstanding that the same shall be in excess of the percentage limitations laid down in Section 309 (3) and Section (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".

By order of the Board of Directors

Place : Mumbai
Dated : 27th August, 2004

S Bijay Kumar
Company Secretary

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

NOTES

1. A Statement of Material Facts in respect of the Special Business under item No. 5 is annexed hereto.
2. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON POLL INSTEAD OF HIMSELF/HERSELF AND THE PROXY SO APPOINTED NEED NOT BE 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 & Holidays) between 10.30 a. m. and 12.30 p.m. upto the date of Annual General Meeting.
4. The Register of Members and the Share Transfer Books of the Company will remain closed from Tuesday, 26th October 2004 to Saturday, 30th October 2004 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 21st October 2004, which will enable the Company to furnish the replies at the Annual General Meeting.
6. 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.
7. Members are requested to produce the Attendance slip at the entrance of the venue.
8. Re-appointment Of Directors :

Pursuant to clause 49 of the Listing Agreements with the Stock Exchange, following information is furnished about the Directors proposed to be re-appointed:

- (a) Mr. V. Narayan, is an Independent Wholtime Director with a Bachelor of Arts Degree in Mathematics having stood first class first and Master of Arts Degree in Statistics from the University of Mumbai. He is a member of Mumbai Management Association and Indian Institution of Industrial Engineering and later president, Mumbai Chapter. He has over 50 years of experience as in managerial capacity including that of Director/consultant/ Advisor in reputed manufacturing industries of engineering, chemical, pharmaceutical, and sugar. He is a Director on the shareholders' grievances & share transfer committee of Board.
- (b) Mr. S.P. Banerjee, an Independent Director, is Master of Business Administration, Post Graduate Diploma in Industrial Management, M.I.E. (India), Chartered Engineer. He has over 36 years valuable experiences in

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engineering and manufacturing industries (6 Years) in senior supervisory positions and 29 years in Industrial Finance Corporation of India till 1994 in managerial positions of which last 10 years as Executive Director/ Whole time Director.

He is a Chairman of Audit sub-committee of Board.

He is also a Director in MSP Electronics Pvt Ltd.

ANNEXURE TO NOTICE

Statement of material facts pursuant to Section 173(2) of the Companies Act, 1956 annexed to the Notice dated 27th August 2004.

Item no. 5

By a resolution passed on 30th January 2004, the Board has appointed Mr. V. Narayan as a Wholetime Director of the Company, subject to the approval of the Members in General Meeting, for a period of one year with effect from 1st February 2004. He has served the Company previously in various positions including that as a Wholetime Director. The Board considers that in view of his knowledge & experience, the appointment of Mr. V. Narayan is in the best interest of the Company.

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

- i) Mr. V. 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: One year with effect from 1st February, 2004.
- iii) Remuneration: The remuneration payable to the Wholetime 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. 15000/- per month**

b) **Perquisites:**

c) **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 Wholetime Director on Company's business, with full maintenance charges in respect thereof, such as garage rent, fuel, repairs and maintenance etc. In case the Wholetime Director employs his personal driver, then the Company will reimburse the salary / wages of the driver borne by the Wholetime Director. Use of the Company car for private purpose shall be billed by the Company to the Wholetime Director.

iii) **Telephone :**

Free Telephone facility at residence, provided that the Wholetime Director shall reimburse the cost of personal long distance calls.

iv) **Entertainment Expenses :**

Reimbursement of entertainment expenses actually and properly incurred by the Wholetime 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 Wholetime Director shall not directly or indirectly engage himself in any other business or occupation or employment whatsoever.
- iv) The Wholetime 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 Wholetime 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 Wholetime Director shall be entitled to all leave benefits as are applicable under the Company's rules to the Executive Director and in force time to time.
- vii) The Wholetime 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 Wholetime 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. V. Narayan, no other Director of the Company is in anyway concerned or interested in this item of business.

By order of the Board of Directors

Place : Mumbai
Dated : 27th August, 2004

S Bijay Kumar
Company Secretary

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



DIRECTORS' REPORT TO THE MEMBERS

Your Directors present the Seventeenth Annual Report together with the Audited Statement of Accounts for the year ended 30th June, 2004.

CORPORATE RESULTS :

	For the Year ended 30.06.2004 (Rs. in lacs)	For the Year ended 31.03.2003 (Rs. in lacs)
Income	<u>1,247.31</u>	<u>1,737.25</u>
Gross Loss	<u>406.63</u>	63.64
Add : Interest	<u>1,898.54</u>	<u>1,518.76</u>
Cash Loss	<u>2,305.17</u>	1,582.40
Add : Depreciation	<u>429.87</u>	409.56
Net Loss	<u>2,735.04</u>	1,991.96
Extra ordinary items	<u>1,283.00</u>	—
Add : Loss brought forward from previous year	<u>31,064.43</u>	29,072.47
Total Loss carried to Balance Sheet	<u><u>35,082.47</u></u>	<u><u>31,064.43</u></u>

OPERATIONS

As you are aware that the due to non-availability of Working Capital Finance the TPE Plant of the Company remained closed through out the year. The Engineering Division at Mathura operated intermittently for executing the Jamner-Sugar Plant order, but the progress of the same is also slow due to non-availability of funds both, at our end and also with Jamner-Sugar factory Management.

In Engineering Division there are no orders on hand as ours is Sick Company. However, the Company has executed some sub-contract work procured from the main contractors.

As regards TPE plant, sufficient care was taken to ensure that the plant is maintained well to prevent deterioration due to non-use. During the year, Engineers India Ltd. carried out verification and assessment about the health of the plant and machinery. They found it satisfactory.

The Company has substantially reduced the cost at all levels and continues with its efforts of minimizing its labour & staff force at the Plant and Corporate Office and also it is trying that all essential posts are adequately manned.

During the year BIFR granted permission to the Secured Creditors to initiate / pursue their recovery suits on condition that decrees, if any granted, shall not be executed without specific prior permission of the BIFR. The Board also directed OA to issue advertisement in newspaper for change of Management.

Against the aforesaid order of BIFR, we have preferred an appeal before the Hon'ble AAIFR in the month of May. Hon'ble AAIFR was pleased to stay the proceedings relating to change of Management and the matter is pending before AAIFR. The next date of hearing has been fixed in the month of November.

As directed by IDBI, company appointed M/S MITCON as valuer to carry out second valuation of the assets of the company. M/S MITCON submitted its report in respect of the second valuation to IDBI. IDBI (OA) called a joint meeting of all the secured creditors in the month of March to discuss the OTS proposal submitted by the company. Most of the term lenders were willing to consider settlement of their dues by way of OTS subject to certain modification / clarification. Meanwhile, IDBI has served the notice to the Company in the month of June, 2004 for recalling its dues to which Company has replied suitably.

DIRECTORS

IDBI has withdrawn the nomination of Mr. K V George vide their letter No. CSD.53/158/Nom.8 and nominated Mr. J.Tauro w.e.f. 8th July, 2004. IFCI has withdrawn the nomination of Mr. M.K.Chanduka vide their letter No. IFC/ NOC-1/2004-29293. The Board records its deep appreciation of the valuable services rendered by the outgoing directors during their association with the company.

As required by the provisions of Section 256 of the Companies Act, 1956, Mr. S.P.Banerjee retire by rotation at the forthcoming Annual General Meeting and, being eligible, offer himself for re-appointment.

DIRECTORS' RESPONSIBILITY STATEMENT

In compliance to the Provisions of Section 217 (2AA) of the Companies Act, 1956, your Directors wish to place on record :-