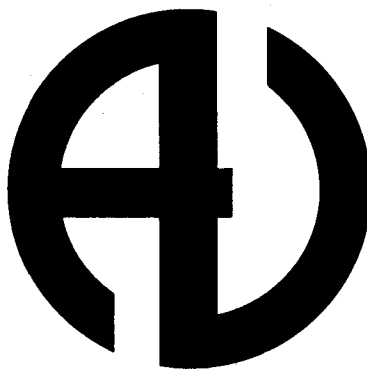


# **Annual Report 2005-2006**



# **ATV PROJECTS INDIA LIMITED**

## BOARD OF DIRECTORS

<b>Mr. M.V. Chaturvedi</b>	<i>Chairman</i>
<b>Dr. V.K. Saxena,</b>	<i>Non-Executive Director</i>
<b>Mr. S.P. Banerjee</b>	<i>Non-Executive Director</i>
<b>Mr. S.N. Kaul</b>	<i>Non-Executive Director</i>
<b>Mr. V. Narayan</b>	<i>Wholetime Director</i>
<b>Ms. Manju Jain,</b>	<i>Nominee Director, IFCI</i>
<b>Mr. Rajesh K. Pathak</b>	<i>Director &amp; Secretary</i>

### AUDITORS

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

### BANKERS

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

### R & T AGENT

**Sharex Dynamic India Pvt. Ltd.**  
w.e.f. 01.07.2003  
Address  
17/B, Dena Bank  
Building, 2nd Floor,  
Horniman Circle, Fort,  
Mumbai - 400 001.

### 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.

Members are Requested to kindly bring their copies  
of the annual report to the meeting.



## NOTICE

Notice is hereby given that the Nineteenth Annual General Meeting of the Members of ATV PROJECTS INDIA LIMITED will be held on Friday the 22nd September, 2006 at 11.00 a.m. at Tejpal Auditorium, August Kranti Marg, Gowalia Tank, Mumbai 400 007 to transact the following business:

### ORDINARY BUSINESS

- 1) To receive, consider and adopt the Audited Profit & Loss Account for the period ended 31st March 2006 and the Balance Sheet as on that date, and the Report of the Director's and the Auditor's 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 Auditors to hold office from the conclusion of the Nineteenth Annual General Meeting and to fix their remuneration.

### SPECIAL BUSINESS

#### 4) APPOINTMENT OF MR. RAJESH K. PATHAK AS DIRECTOR:

To appoint a director in place of Mr. Rajesh K. Pathak, Company Secretary of the company and was also appointed by the Board of Directors as an Additional Director with effect from 25.10.2005. who holds office unto the date of forthcoming Annual General Meeting of the company under section 260 of the companies Act, 1956. But who is eligible for appointment and also offers himself for such appointment.

- 5) To consider and if thought fit, to pass with or without modifications, the following resolutions, 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 under the Company for a period of one year with effect from 1st February 2006 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 initiated 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 : 29th July, 2006

**Rajesh K. Pathak**  
Director & 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. 4 and 5 is annexed hereto.
2. A MEMBER ENTITLED TO ATTEND VOTE AND 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 THAT 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.
4. The Register of Members and the Share Transfer Books of the Company will remain closed from Thursday, 14th September 2006 to Friday, 22nd September 2006 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 13th September 2006, 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.



Disclosures pursuant to Clause 49 of the Listing Agreement with regard to the Directors seeking reappointment at the forthcoming Annual General Meeting

Name of the Director	Brief Resume & Nature of expertise in the functional area	Listing of other Directorship & Committee membership
Mr. V. Narayan	M.A.(Stats.) with first class degree from the University of Mumbai, member of Mumbai Management Association, president of the Indian Institution of Industrial Engineering.. 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 not a Director in any other company.  He is a member of the shareholders grievance committee of the company
Dr. V. K. Saxena	He is a Post Graduate in Economics and Ph. D. in Oil Economy of India. He has served the U.P. Govt. as Chief Secretary for 33 years and also worked as an advisor to ASSOCHAM of its U.P. Chapter.	He is not a Director in any other company.  He is a member of Audit Committee of the Board.

#### ANNEXURE TO NOTICE

Statement of Material Facts pursuant to Section 173(2) of the Companies Act, 1956 annexed to the Notice dated 29th July 2006.

##### Item No. 4

With a view to making the Board of Directors more broad based and bringing about greater efficiency and effectiveness in decision-making process, the Board of Directors has appointed Mr. Rajesh K. Pathak who is also the company secretary of the company as an additional Director with effect from 25.10.2005. Mr. Pathak holds an M.COM degree and an Associate Member of the Company Secretaries of India. He is having an excellent working experience in various corporate matters.

##### Item No. 5

By a resolution passed on 25th January 2006, 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 one year with effect from 1st February 2006. He has served the Company previously in various positions including that as a Wholtime 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:

- 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.

- Period of Agreement: One year with effect from 1st February 2006.

- 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.

**Salary : R. 25,000/- per month.**

The above remuneration will be paid and allowed as minimum remuneration for any year even in the event of loss or inadequacy of profit.

#### OTHER TERMS :-

- 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.
- The Agreement is terminable on three month's notice on either side.
- The Wholtime Director shall not directly or indirectly engage himself in any other business or occupation or employment whatsoever.
- 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.
- 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.
- The Wholtime 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.
- 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. 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 : 29th July, 2006

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

**Rajesh K. Pathak**  
Director & Secretary



## DIRECTORS' REPORT TO THE MEMBERS

Your Directors hereby present the Nineteenth Annual Report together with the Audited Statement of Accounts for the year ended 31st March 2006.

### 2. FINANCIAL RESULTS:

	For the Year (Twelve months) ended 31.03.2006 (Rs. in lacs)	For the Year (Nine Months) ended 31.03.2005 (Rs. in lacs)
Income	<u>1,072.60</u>	<u>809.93</u>
Cash Profit / (Loss)	<u>38.34</u>	<u>(15.30)</u>
Add : Interest	<u>1,518.76</u>	<u>1,139.07</u>
Net Loss	<u>1,480.42</u>	<u>1,154.37</u>
Add: Depreciation	<u>265.83</u>	<u>221.90</u>
Gross Loss	<u>1,746.25</u>	<u>1,376.27</u>
Extra ordinary items	<u>133.46</u>	<u>383.67</u>
Provision for fringe benefit tax	<u>0.26</u>	<u>0.00</u>
Add: Loss carried		
From previous year	<u>36,842.41</u>	<u>35,082.47</u>
Total Loss carried to Balance Sheet	<u>38,722.38</u>	<u>36,842.41</u>

### 3. OPERATIONS

As you are aware that the Engineering Division at Mathura operated intermittently for executing the conversion jobs for Power Plant, Boiler, Heat Exchanger and other works for allied Industries. But TPE Plant of the Company remained closed throughout the year due to non-availability of Working Capital Finance.

As regards Mathura Unit, we have taken initiative in carrying out maintenance of all heavy plant and machinery. During the year, the Company has executed sub-contract works in respect of the jobs procured from the main contractors and we are going to get some major orders in due course.

As regards TPE plant, sufficient care was taken to ensure that the plant is maintained well to prevent deterioration due to its non-use.

The company has reasonably reduced the cost at all levels and continues with its efforts of economizing the cost in its operation whereas at the same time it also tries that all essential posts are adequately manned.

As you are aware that the company has filed appeal before the Hon'ble AAIFR against the order of the BIFR, Whereas the Hon'ble AAIFR has stayed the proceedings and directed the Operating Agency (IDBI) to make a fresh valuation of the company plant and submit its report.

### 4. MANAGEMENT:

Mr. V. Narayan was reappointed as the Whole-Time Director of the company for a period of one year with effect from February 1, 2006 subject to the approval of the Shareholders. The resolution pertaining to the reappointment of Mr. V. Narayan as Whole-Time Director and the remuneration payable to him is set out at item 5 of the Notice and the relevant explanatory statement.

### 5. DIRECTORS

- 5.1. Mr. V. K. Saxena has been appointed as member of the Audit Committee of the Board as required by the clause 49 of the Listing Agreement of the Stock Exchange.
- 5.2. Mr. Rajesh K. Pathak, Company Secretary of the company has been appointed as an Additional Director with effect from 25.10.2005. Mr. Pathak will hold office till the ensuing Annual General Meeting. Accordingly his appointment as Director is included at item 4 of the Notice.
- 5.3. The Board of Directors was informed that Mr. S. N. Kaul, one of our senior most Director passed away on 15th August 2006. The Board called a meeting on 18.08.06 to express condolences over his demise. The Board also took account of his immense contribution to the Company and observed that it was a great loss to the company.
- 5.4. None of the Directors of the company are disqualified for being appointed as Directors as specified under section 274(1)(g) of the Companies Act, 1956.

### 6. DIRECTORS' RESPONSIBILITY STATEMENT

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

- i) that in preparing the Annual Accounts, all applicable accounting standards have been followed.
- ii) that the accounting policies adopted are consistently followed and the judgments and estimates made are