

# ***AVON***

## **INDUSTRIES LIMITED**

(Formerly known as Avon Container Printers Ltd.)

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# **11<sup>th</sup>**

## **ANNUAL REPORT**

### **1998-99**

## ***Avon Industries Limited***

**AVON**  
INDUSTRIES LIMITED

### **DIRECTORS**

Shri C. Prakash Agarwal - Managing Director  
Shri Vinay Agarwal - Executive Director  
Shri Amit Agarwal - Director

### **BANKERS**

**CANARA BANK**  
Basheerbagh  
Hyderabad.

### **FACTORS**

**CANBANK FACTORS LIMITED**  
Basheerbagh  
Hyderabad.

### **AUDITORS**

**M/s. Ratnakara & Associates**  
Chartered Accountants  
Hyderabad.

### **REGISTERED OFFICE**

Plot No. 275, 1st Floor  
Vivekananda Nagar  
Kukatpally  
Hyderabad - 500 072.

### **FACTORY**

Plot No. 140  
Miyapur, Bollaram  
Narsapur Taluk, Medak Dist  
Andhra Pradesh - 502 325  
Phones : 08459 - 79241, 79242

# Avon Industries Limited



## NOTICE

Notice is hereby given that the Eleventh Annual General Meeting of the Shareholders of the Company will be held on Thursday, the 30th day of September, 1999 at Royal Mansion, Plot No. 5, Vivekananda Nagar Colony, Kukatpally, Hyderabad - 500 072 at 8.30 A.M. to transact the following.

### AS ORDINARY BUSINESS :

1. To receive, consider and adopt the Balance Sheet as at 31st March, 1999 and Profit and Loss Account for the period ended on the aforesaid date and Reports of the Directors and Auditors thereon.
2. To re-appoint retiring Director.
3. To appoint Auditors who shall hold office from the conclusion of this Annual General Meeting until the conclusion of next Annual General Meeting and fix their remuneration.

### SPECIAL BUSINESS :

4. To consider and if thought fit to pass with or without modification the following resolution as a SPECIAL RESOLUTION.

RESOLVED THAT the Company has become sick Industrial Company with in the meaning of Clause (0) of Subsection 1 of Section 3 of Sick Industrial Companies (Special

Provisions) Act, 1985 and the Board of Directors of the Company be and are hereby authorised to make a reference to the Board for Industrial and Financial Reconstruction (BIFR) and revival package be submitted.

## NOTES

- a. 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.
- b. Proxies in order to be effective, must be received by the Company not less than 48 hours before the meeting.
- c. Explanatory Statement as per Section 173 of the Companies Act, 1956 is annexed to this Notice.

By Order of the Board of Directors

**C. Prakash Agarwal**  
Managing Director

31st May, 1999

**Registered Office :**  
Plot No. 275, 1st Floor,  
Vivekanandanagar,  
Hyderabad - 500 072.

## EXPLANATORY STATEMENT UNDER SECTION 173 OF THE COMPANIES ACT, 1956.

As the Company is running into continuous losses the networth of the Company is reduced drastically. Therefore the Board of Directors has decided to refer the matter to the Board for Industrial and Financial Reconstruction with the consent of the shareholders of the Company. Hence this resolution is proposed.

By Order of the Board of Directors

**C. Prakash Agarwal**  
Managing Director

31st May, 1999

**Registered Office :**  
Plot No. 275, 1st Floor,  
Vivekanandanagar,  
Hyderabad - 500 072.

# Avon Industries Limited



## DIRECTORS' REPORT

To  
The Members,

Your Directors hereby present the Eleventh Annual Report on the business and operations of the Company and Audited Accounts for the year ended 31.03.1999

### Financial Results :

	(Rupees in lakhs)	
	Year ended 31.03.1999	Year ended 31.03.1998
Profit/(Loss) before Depreciation & Taxation	(1238.13)	(52.28)
Depreciation	38.39	41.87
Profit/(Loss) before Taxation	(1276.52)	(94.15)
Provision for Taxation	-	-
Balance brought forward	(581.29)	(487.14)
Balance carried forward	(1857.81)	(581.29)

### OPERATIONS :

The Company did not have any commercial operation during the year 1998-99. Your Company's financial results deteriorated further. This has been mainly on account of suspension of production activities due to lock out of the factory.

### YEAR UNDER REVIEW :

The finished goods Tin Container stocks of 282846 Nos. had become obsolete as these goods were prepared as per the specification of the customers and non lifting of the material has rendered them unusable. The unused work-in-process damaged on account of using unsize materials and print defects further deteriorated due to ageing and was determined as substandard and unusable. Unused Raw Material and stores consumables consisting of Printing Inks, Coatings etc.,

deteriorated due to ageing and was determined as being unusable based on the testing. These factors have only added to the current year loss.

Also due to lock out of our Unit, the recovery of debtors on account of sale of lacquered sheets and tin containers, has been dismal. Consequently, your Directors had to write off certain bad debts and make provision for doubtful debts on the basis of the quality debtors.

### EROSION OF NETWORTH :

A low asset turnover, irregular accounts with Banks and Financial Companies, tardy recovery of receivable, hostile creditors, cessation of operation caused by lockout, have all led to the complete erosion of network of your Company.

Due to huge losses incurred during the current year, the accumulated losses of your Company has been increased and hence, the network of your Company is eroded fully. Your Company, therefore, has become Sick Industrial Company under the provisions of Sick Industrial Companies (Special Provisions) Act, 1985 (SICA). The Board of Directors have duly authorised the Chairman/Managing Director make a reference to the Board for Industrial and Financial Reconstruction (BIFR).

### ADDITIONAL INFORMATION AS REQUIRED UNDER SEC.217(1)(E) OF THE COMPANIES ACT, 1956 :

- Conservation of Energy : The Company had no manufacturing activity during the period under review
- Disclosure of particulars with respect to Technology absorption, adoption and innovation : Nil
- Disclosure of Foreign Exchange earning and outgo as required under Companies (Disclosure of particular in the Directors Report) Rules 1998 : Nil.

### PARTICULARS OF EMPLOYEES :

In compliance of the provisions of Section 217 (2A) of the Companies Act, 1956 read with the Companies (particular of employees) Rules 1975, the Directors are to report that no employees was in receipt of remuneration of Rs. 3,00,000/- or more per annum of Rs. 25,000/- or more per month, if employed for a part of the year.