

DEWAN

16th

**ANNUAL
REPORT**

1999-2000

DEWAN TYRES LIMITED

DEWAN TYRES LIMITED

DEWAN TYRES LIMITED

BOARD OF DIRECTORS

**J.C. DEWAN
V.S. DEWAN
VIVEK DEWAN
S.P. JAIN
S.K. VERMA**

BANKERS

**BANK OF BARODA
DENA BANK
CREDIT AGRICOLE INDOSUEZ**

AUDITORS

**S.S. GUPTA & CO.
CHARTERED ACCOUNTANTS**

REGISTERED OFFICE

**P.B. No. 143, RITHANI,
DELHI - MEERUT ROAD,
MEERUT-250 001 (U.P.)**

WORKS

**BYE - PASS ROAD, PARTAPUR,
MEERUT-250 103 (U.P.)**



DIRECTORS' REPORT

**The Members,
Dewan Tyres Ltd.,
MEERUT**

The Directors of your company presents their Report and Audited Annual Accounts for the year ended 30th June 2000.

FINANCIAL RESULTS

(Rs. in lakhs)

	30.06.2000	30.06.1999
Sales & Other Income	1712.8	2742.0
Profit before interest & depreciation	(1181.8)	(18.9)
Less : Interest	511.6	455.3
Depreciation	147.1	147.1
Profit / (Loss) before tax	(1840.4)	(621.4)
Profit / (Loss) after tax	(1840.4)	(621.4)

YEAR IN RETROSPECT :

The year under review continued to be a difficult one for the company. During the year, the turnover reduced to Rs.1713 lakhs as compared to Rs.2742 lakhs achieved in the previous year. The export turnover also declined to Rs.203 lakhs during 1999-2000, as compared to Rs.337 lakhs registered during the previous year. Such decline in the turnover is due to overall recession in the Tyre Industry.

During the year under review, the company has incurred a net loss of Rs.1840 lakhs as compared to the net loss of Rs.621 lakhs during the last year. This increase in loss is mainly due to writing-off of the export incentives receivable, considered non-recoverable. The paucity of working capital funds, sluggish market conditions and acute liquidity crunch has resulted in dismal performance of the company during the year.

REFERENCE TO BIFR

The company has become Sick Industrial Company within the meaning of section 3(1)(o) of the Sick Industrial Companies (Special Provisions) Act, 1985, in view of complete erosion of its entire net worth as on 30th June 2000. A reference is being made to the Board for Industrial & Financial Reconstruction (BIFR) under sub-section (1) of section 15 of the Act for determination of measures for the rehabilitation of the company.

PROSPECTS

The company is reviewing various options for its restructuring. A revival scheme will be submitted to BIFR in due course for the turnaround of the company. The management of the company will take all effective steps for speedy recovery of the operations.

DIRECTORS

ICICI has withdrawn its nominee Shri S.N. Jaiswal from the Board w.e.f. 17th March 2000 and Shri O.P. Sapra has resigned from the Directorship of the company w.e.f. 31st Jan., 2000. Your Directors place on record their appreciation for the valuable services rendered by them during their tenure.

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Shri J.C. Dewan and Shri Vivek Dewan, Directors retire at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment

AUDITORS' REPORT

The notes on the accounts referred to in the Auditors Report are self-explanatory and therefore do not call for any further comments.

AUDITORS

M/s S.S. Gupta & Co., Auditors of the company, hold office until the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment.

LISTING AGREEMENT

The equity shares of the company are listed at U.P. Stock Exchange, Delhi Stock Exchange and Mumbai Stock Exchange. The annual listing fee for U.P. Stock Exchange, Delhi Stock Exchange and Mumbai Stock Exchange are in arrears for the year 1999-2000 & 2000-01.

PARTICULARS OF EMPLOYEES

There is no employee in the company, whose particulars are required to be furnished under the provisions of section 217(2A) of the Companies Act, 1956.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNINGS/OUTGO.

The information required under section 217(1)(e) of the Companies Act, 1956, read with Companies (Disclosure in the report of Board of Directors) Rules, 1988 is furnished in the Annexure A, forming part of this Report.

INDUSTRIAL RELATIONS

Your company continued to maintain harmonious and cordial relations with its workers, supervisors and officers.

ACKNOWLEDGEMENT

Your Directors place on record their appreciation of the continued support and co-operation received from various Central and State Government Authorities, Financial Institutions, Banks, Customers and Suppliers.

Your Directors' also acknowledge the support and goodwill extended by the employees at all levels.

ON BEHALF OF THE BOARD OF DIRECTORS

PLACE : MEERUT
DATED : 27th Sept., 2000

sd/-
(V.S. DEWAN)
CHAIRMAN



ANNEXURE-A ANNEXURE TO DIRECTORS' REPORT

INFORMATION AS PER SECTION 217(1) (A) READ WITH COMPANIES (DISCLOSURE OF THE
REPORT OF BOARD OF DIRECTORS) RULES 1988 AND FORMING PART OF THE
DIRECTORS' REPORT FOR THE YEAR ENDED 30TH JUNE, 2000.

A. CONSERVATION OF ENERGY

a. Energy Conservation Measures taken

Energy conservation is receiving high priority. To achieve this objective the Company on continuous basis :-

1. Closely monitors energy consuming equipments. The Company surrendered 800 KVA power load out of 1000 KVA sanctioned power load and started the generation of power from its own generator sets.
 2. Maintains close liaison between energy generating centres and consuming points.
 3. Makes optimum use of steam, taking steps to implement the operations from rice husk/bagasse based boiler in place of coal based boiler.
 4. Most of the Steam lines have been re-insulated to save the heat loss and thus saving the steam energy.
 5. All the condensate line properly modified and revised piping arrangements have been done to collect all condensate discharge and the same is re-used to heat the water to feed in boiler, resulting saving in coal consumption.
- b. 1. The Company has installed SMC i.e. for reduction in consumption of energy to save power consumption during starting at low-torque for 300 H.P.4 Speed Motor of Russian Inter mix.
2. The management endeavours to reduce consumption of energy and exploration/ research in new areas for reduction in energy consumption have been taken up wherever it has been possible.
3. Power capacitors have been added to improve power factor.
- c. Impact of measures at (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production.
- The above measures taken for reduction in energy consumption have brought encouraging results, bringing about a saving in cost of production.
- d. Total energy consumption and energy consumption per unit of production as per Form A of the Annexure to the Rules :

FORM 'A'

FOR THE DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSUMPTION OF ENERGY :

A. POWER & FUEL CONSUMPTION

PARTICULARS	CURRENT YEAR 30.06.2000	PREVIOUS YEAR 30.06.1999
1. ELECTRICITY :		
a) Purchased (Units in lacs)	2.83	17.03
Total Amount (Rs.in lacs)	12.80	100.62
Rate/Unit (Rs.)	4.52	5.91

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b) Own Generation :

i. Through Diesel Generator		
(Units in lacs)	19.42	13.30
Units per litre of diesel	3.49	3.26
Oil Cost/Unit (Rs.)	3.67	3.09
ii. Through Steam Turbine	-	-
Unit (oil/gas)	-	-
Units per litre of fuel	-	-
Cost/Unit	-	-
2. COAL:QUANTITY (TONNES)	2392.84	3504.44
Total Cost (Rs. in lacs)	71.87	102.84
Average Rate/Tonnes	3003.54	2934.63
3. FURNACE OIL (QUANTITY KILO LITRE)	-	-
Total Amount (Rs.in lacs)	-	-
Average Rate (Rs./kilo litre)	-	-
4. OTHER INTERNAL GENERATION	-	-
Quantity	-	-
Total Cost	-	-
Rate/Unit	-	-

B CONSUMPTION PER UNIT OF PRODUCTION

a. ELECTRICITY "Units"		
Tyres (Per Piece) No Specific	3.39 Units	4.08 Units
Tubes (Per Piece) Standard	1.83 Units	1.95 Units
b. Furnace oil		
c. Coal		
Tyres (Per Piece) No Specific	4.22 Kg	5.98 Kg
Tubes (Per Piece) Standard	1.43 Kg	1.63 Kg
d. Others		

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