

PREMIER TYRES LIMITED

41ST ANNUAL REPORT 2001-2002

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PREMIER TYRES LIMITED

41ST ANNUAL REPORT

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PREMIER TYRES LIMITED

BOARD OF DIRECTORS

ONKAR S. KANWAR	:	CHAIRMAN
K. JACOB THOMAS		
NEERAJ KANWAR		
N. SREEKUMAR		
P. N. WAHAL		
U. S. OBEROI		
VINOD RAI	:	KERALA GOVERNMENT NOMINEE
V. VASANTHAKUMARI	:	KERALA GOVERNMENT NOMINEE

COMPANY SECRETARY

PRADEEP KUMAR

AUDITORS

H. N. MEHTA ASSOCIATES

REGISTERED OFFICE

6TH FLOOR, CHERUPUSHPAM BLDG.
SHANMUGHAM ROAD,
KOCHI-682 031 (KERALA)
TEL. NOS. (0484) 381808, 372767
FAX NO.: (0484) 370351

BANKER

BANK OF INDIA

WORKS

KALAMASSERY,
ALWAYE,
KERALA-683 104

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PREMIER TYRES LTD.

Regd. Office: 6th Floor, Cherupushpam Building, Shanmugham Road, Kochi-682 031 (Kerala)

NOTICE

NOTICE is hereby given that the Forty First Annual General Meeting of the Members of **PREMIER TYRES LTD.** will be held as under:-

DAY	:	Thursday
DATE	:	19 th September, 2002
TIME	:	4.30 p.m.
PLACE	:	Sowbagh, Bharat Hotel (BTH), Durbar Hall Road, Ernakulam, Kochi – 682 016.

to transact the following business:-

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Accounts of the Company for the year ended 31st March, 2002 and the Report of the Directors and of the Auditors thereon.
2. To appoint a Director in place of Shri Neeraj Kanwar, who retires by rotation, and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Shri K. Jacob Thomas, who retires by rotation, and being eligible, offers himself for re-appointment.
4. To consider and if thought fit to pass with or without modification(s), the following resolution as an Ordinary Resolution:-

“RESOLVED THAT M/s. H.N.Mehta Associates, Chartered Accountants, be and are hereby re-appointed as Auditors of the Company to hold office until the conclusion of the next Annual General Meeting of the Company for Auditing the Accounts for the year 2002-2003 and that the Board of Directors be and is hereby authorised to fix their remuneration plus travelling and out of pocket expenses for audit.”

By order of the Board
For Premier Tyres Ltd.



Place: Gurgaon
Dated: 26th June, 2002

(PRADEEP KUMAR)
COMPANY SECRETARY

NOTES

1. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote on poll instead of himself and the proxy need not be a member of the Company. The enclosed proxy form, if intended to be used, should reach the Registered Office of the Company duly completed not less than forty eight hours before the scheduled time of the Meeting.
2. The Register of Members and Share Transfer Books shall remain closed from 4th September, 2002 to 19th September, 2002 (both days inclusive) for the purpose of Annual General Meeting.
3. Equity shares of the Company have been splitted from Rs.100/-each to 10 equity Shares of Rs.10/- each w.e.f. 3rd June, 2002. Members who have not surrendered the share certificates are requested to send the same for replacing with new share certificates of the face value of Rs. 10/- each.

4. The members holding shares in the dematerialised mode are requested to intimate all changes with respect to their bank details, mandate, nomination, power of attorney, change of address, change in name etc. to their depository participant (DP). These changes will be automatically reflected in Company's records which help the Company to provide efficient and better service to members.
5. Please bring your copy of the Annual Report to the Meeting.
6. All documents referred to in the Notice are open for inspection at the Registered Office of the Company between 11.00 a.m. to 1.00 p.m. on any working day prior to the date of the Meeting and also at the Meeting.
7. Members intending to require information about Accounts to be explained at the meeting are requested to write to the Company at least ten days in advance of the AGM.
8. Members holding shares in the same name(s) under different folios are requested to apply for consolidation of such folios and send relevant share certificates.
9. The shares of the Company are under compulsory Demat list of SEBI w.e.f. 2nd January, 2002. The trading in equity shares can now be only in Demat Form. In case you have not demated your shares, you may do so by opening an account with a Depository Participant and complete dematerialization formalities.
10. Information under Clause 49 of the Listing Agreement with the Stock Exchanges in respect of Directors seeking reappointment at the Annual General Meeting (Item No.2 & 3 of Ordinary Business) is given below.

DETAILS OF DIRECTORS SEEKING RE-APPOINTMENT AS REQUIRED UNDER CLAUSE 49 OF THE LISTING AGREEMENT WITH THE STOCK EXCHANGES

Item No. 2

Shri Neeraj Kanwar aged about 31 years is a graduate in Industrial Engineering from Lehigh University, USA. Shri Neeraj Kanwar joined the Board of Directors of the Company in the year 1999. His experience is focused in the areas of manufacturing, marketing, strategic planning and business management. Shri Neeraj Kanwar is a director and member of committees of Board of other companies as under :

Director : Apollo Tyres Ltd., Travel Tracks Pvt. Ltd. and Landmark Farms & Housing Pvt. Ltd.

Shri Neeraj Kanwar also holds membership of committees in the following other company:-

Shareholders'/Investors'Transfer/Grievance Committee : Member (Apollo Tyres Ltd.)

Item No. 3

Shri K. Jacob Thomas aged about 66 years is a graduate in Science and is an industrialist. He joined the Board of Directors of the Company in the year 1995. His experience is focused in the areas of Plantation Management. Shri Jacob Thomas is a director and member of committees of Boards of other companies as under :

Managing Director : Vaniampara Rubber Co. Ltd. and Comfoams Ltd.

Director : Apollo Tyres Ltd., Vanrub Pvt Ltd. and Association of Planters of Kerala

Shri Jacob Thomas also holds membership of committees in the following other companies:-

Audit Committee : Member (Apollo Tyres Ltd.)

Shareholders'/Investors'Transfer/Grievance Committee : Chairman (Apollo Tyres Ltd.)

By order of the Board
For Premier Tyres Ltd.



(PRADEEP KUMAR)
COMPANY SECRETARY

Place: Gurgaon

Dated: 26th June, 2002

PREMIER TYRES LTD.

DIRECTORS' REPORT

Dear Members,

Your directors have pleasure in presenting the annual report and audited accounts of the company for the financial year ended 31st March, 2002.

1. FINANCIAL RESULTS	YEAR ENDED 31st March, 2002 (Rs/ Lakh)	YEAR ENDED 31st March, 2001 (Rs/ Lakh)
Other income	205.64	345.28
Profit/(Loss) before depreciation & interest	182.64	(2.37)
- Depreciation	31.17	36.39
- Interest	0.03	0.03
Profit /(Loss) before tax	151.44	(38.79)
- Provision for Current Tax/(Written back)	11.58	(0.38)
Profit /(Loss) after Current tax	139.86	(38.41)
- Provision for Deferred Tax	53.02	0.00
Profit /(Loss) after tax	86.84	(38.41)

2. OPERATIONS

During the year under review, gross income amounted to Rs 206 lakh as against Rs 345 lakh during the previous year. It includes lease rental of Rs 150 lakh (previous year Rs 200 lakh) received from Apollo Tyres Ltd. (ATL), the holding company, in accordance with the Rehabilitation Scheme as approved by Board for Industrial & Financial Reconstruction (BIFR). After providing for depreciation of Rs. 31 lakh (previous year Rs. 36 lakh), provision for current tax of Rs.12 lakh (Previous year Nil) and provision for Deferred Tax of Rs.53 lakh (Previous year Nil), the net profit amounted to Rs.87 lakh against the net loss amounting to Rs 38 lakh in the previous year.

3. DIVIDEND

In view of the accumulated losses, no dividend is being recommended by the directors for the year under review.

4. SHARE CAPITAL

The face value of shares of the company has been splitted from Rs.100/- each into 10 equity shares of Rs.10/- each w.e.f. 3rd June, 2002, in pursuance of the resolution passed in the Annual General Meeting held on 17th September, 2001.

5. DIRECTORS

Shri Neeraj Kanwar and Shri K. Jacob Thomas, directors retire by rotation at the forthcoming annual general meeting and being eligible, offer themselves for re-appointment.

6. COST AUDIT

The Government has exempted the company from the cost audit requirement for 8 years from January 1995 vide their order dated 4th August, 1998. The exemption is granted in pursuance of the request made by the company to exempt it from the requirement of cost audit, as the plant is leased out to Apollo Tyres Ltd. under Rehabilitation Scheme sanctioned by BIFR. However, the cost audit report of the unit shall be submitted by Apollo Tyres Ltd., the holding Company.

Your Directors shall approach the Government for seeking exemption for further period till the time company does not have its own production.

7. AUDITORS

M/s H.N.Mehta Associates, Chartered Accountants, Auditors of the company will retire at the forthcoming annual general meeting and are eligible for re-appointment.

8. AUDITORS' REPORT

The comments on the statement of accounts referred to in the report of the auditors have been suitably explained by way of notes to the accounts as referred in the auditors' report.

9. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

As the plant is leased to Apollo Tyres Ltd. upto March 31, 2003 and the company is not carrying out any manufacturing activity of its own, no information is required to be furnished under Section 217 (1) (e) of the Companies Act, 1956.

10. REPORT ON CORPORATE GOVERNANCE

Pursuant to clause 49 of the Listing Agreement, a report on corporate governance is given in Annexure 'A' of this report.

11. DIRECTORS' RESPONSIBILITY STATEMENT AS PER SECTION 217(2AA) OF THE COMPANIES ACT, 1956

Pursuant to the requirements under Section 217(2AA) of the Companies Act, 1956, the Board of Directors of the company confirm:

- i. that in the preparation of the annual accounts for the financial year ended 31st March, 2002, the applicable accounting standards have been followed and there has been no material departure;
- ii. that the selected accounting policies were applied consistently and the directors made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as at March 31, 2002 and of the profit of the company for the year ended as on date;
- iii. that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- iv. that the annual accounts have been prepared on a 'going concern' basis.

12. PERSONNEL

There are no employees during the year drawing remuneration specified under Section 217 (2A) of the Companies Act, 1956. As such no particulars are required to be furnished.

13. ACKNOWLEDGEMENT

Your directors are thankful for the co-operation extended by Government of Kerala, bankers and the employees for their valuable contribution to your Company.

For and on behalf of the Board of Directors


(ONKAR S.KANWAR)
CHAIRMAN

Place: Gurgaon
Dated: 26th June, 2002



PREMIER TYRES LTD.

REPORT ON CORPORATE GOVERNANCE

1. INTRODUCTION

The Securities and Exchange Board of India (SEBI) has introduced Code of Corporate Governance for implementation by the companies listed with Stock Exchanges. As per the amended listing agreement (Clause 49), the Code is required to be implemented by your company by March 31, 2002. Your company has complied in all material respect with the features of Corporate Governance stipulated in the listing agreement. A report in line with the requirements of Stock Exchange and practice followed by the company is given below.

2. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

Corporate Governance is the combination of voluntary practices and compliance with laws and regulations leading to effective control and management of the organisation. Good Corporate Governance leads to long term shareholder value and enhances interest of other stakeholders. It brings into focus the fiduciary and the trusteeship role of the Board to align and direct the actions of the organisation towards creating wealth and shareholder value.

3. BOARD OF DIRECTORS

a) Board Procedure:

In the year 2001-2002 four meetings of board were held. The intervening period between the board meetings was well within the maximum time gap of four months prescribed in clause 49. The minimum information to be made available to the Board as per Annexure-1 forming part of Clause 49 are being complied with.

b) Number and dates on which the meetings of board of directors were held

During the year, four Board Meetings were held on the following dates:-

28th June, 2001
17th September, 2001
30th October, 2001
28th January, 2002

c) Composition of Board:

The Board of Directors comprises of eight directors, three non-executive and independent directors, which include two nominees of Government of Kerala. All directors have varied experience in the areas of finance, law, business, industry etc.

Name/Designation of Director	Category	No. of positions held in other companies		No. of Board meeting attended	Attendance at last AGM
		Board	Committee		
Shri Onkar S. Kanwar Chairman	Non-Executive Dependent	4	-	4	Yes
Shri K. Jacob Thomas	Non-Executive Independent	3	2	4	Yes
Shri Neeraj Kanwar	Non-Executive Dependent	1	1	4	Yes
Shri N. Sreekumar	Non-Executive Dependent	-	-	1	Yes
Shri P.N. Wahal	Non-Executive Dependent	2	-	4	Yes
Shri U.S. Oberoi	Non-Executive Dependent	2	1	4	Yes
Shri Vinod Rai Nominee Director- Govt. of Kerala	Non-Executive Independent	-	-	2	Yes
Smt. Vasanthakumari Nominee Director- Govt. of Kerala	Non-Executive Independent	-	-	0	No

4. AUDIT COMMITTEE

a) Constitution of Committee

The company had constituted an Audit Committee in the year 2001. The present constitution of the Audit Committee comprises of following four Non-executive Directors to specifically look into the internal controls and audit procedures.

Name of Director	Designation	No. of meetings attended
Shri K. Jacob Thomas	Chairman	2
Shri Neeraj Kanwar	Member	1
Shri N. Sreekumar	Member	0
Shri U.S. Oberoi	Member	2

b) Meetings:

During the year, Audit Committee met twice since 01.04.2001 on the following dates :-

- 27th June, 2001
- 29th October, 2001

c) Name of the Company Secretary:

Pradeep Kumar, Company Secretary, acts as Secretary of the committee.